



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: July 15, 2015

Time: Closed Session 6:30 p.m.
Regular Meeting 7:00 p.m.

*and via conference call:

Balboa Bay Club
1221 W. Pacific Coast Hwy.
Newport Beach, CA

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo
City Clerk
Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Lodi Police Officers Association and Lodi Professional Firefighters Pursuant to Government Code §54957.6 (CM)
- b) Actual Litigation: Government Code §54956.9(a); One Case; People of the State of California and the City of Lodi, California v. M & P Investments, et al.; United States District Court, Eastern District of California; Case No. CIV-S-00-2441 FCD JFM (CA)
- c) Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Government Code §§54956.9(d)(2) and 54956.9(e)(1); One Case; Shall Not Be Disclosed, Due to Facts and Circumstances Not Yet Known to Potential Plaintiffs (CA)

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

- B-1 Presentation of Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting (CM)

C. Consent Calendar (Reading; Comments by the Public; Council Action)

- C-1 Receive Register of Claims in the Amount of \$4,036,663.15 (FIN)
- C-2 Approve Minutes (CLK)
 - a) June 9, June 16, June 23, and June 30, 2015 (Shirtsleeve Sessions)
 - b) June 17 and July 1, 2015 (Regular Meetings)
 - c) June 10 and June 23, 2015 (Special Meetings)
- C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for Ham Lane Signal Modification Improvements 2015 – Vine, Tokay, and Lockeford Streets (PW)
- C-4 Approve Plans and Specifications and Authorize Advertisement for Bids for Harney Lane Grade Separation Project (PW)
- C-5 Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Lake Park – Boat Launch Facility Improvements (PW)
- C-6 Accept Donation of Tree Planting Funds from Tree Lodi (\$7,000) (PRCS)
- Res. C-7 Adopt Resolution Authorizing Purchase of ProTech Molle Tac Vests from LC Action, of San Jose, and Appropriating Funds (\$20,738) (PD)

- Res. C-8 Adopt Resolution Awarding Contract for Shady Acres Pump Station Trash Handling Project to Diede Construction, Inc., of Woodbridge (\$302,670) and Authorizing City Manager to Execute Contract (PW)
- C-9 Accept Improvements Under Contract for 2015 GrapeLine Bus Stop Accessibility and Shelter Improvements (PW)
- C-10 Accept Improvements Under Contract for Fire Station No. 3 Building Repairs (PW)
- Res. C-11 Adopt Resolution Accepting Reynolds Ranch Phase 3A Public Improvements (PW)
- Res. C-12 Adopt Resolution Authorizing Mayor to Execute San Joaquin County Regional Transportation Impact Fee Program Operating Agreement (PW)
- Res. C-13 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Atlas Copco USA Holdings, Inc., for Monthly Preventative Maintenance and On-Call Repairs to Compressed Natural Gas Fueling Station and Authorizing Public Works Director to Execute a One-Year Extension (\$75,000) (PW)
- Res. C-14 Adopt Resolution Approving Renewal of Dental Claims Administration Agreement with Stanislaus Foundation for Medical Care and Further Authorizing the City Manager to Execute Agreement (CM)
- Res. C-15 Adopt Resolution Authorizing City Manager to Execute Pacific Gas and Electric Company Interconnection Agreement (EU)
- Res. C-16 Adopt Resolution Authorizing City Manager to Execute Joint Exercise of Power Agreement between City of Lodi, Lathrop-Manteca Fire District, City of Manteca, and City of Stockton Creating the San Joaquin County Regional Fire Dispatch Authority (FD)
- Res. C-17 Adopt Resolution Authorizing the City of Lodi to Join the California Statewide Communities Development Authority Open Property Assessed Clean Energy Program (EU)
- C-18 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)
- C-19 Receive Report on Drought Emergency, Compliance Progress with State Drought Regulations, and Water Conservation Outreach and Approve Expansion of Rebate Program (PW)
- Res. C-20 Adopt Resolution Approving a \$5,000 Increase to the City's Budgeted Fiscal Year 2015/16 Commitment (\$29,290) to the San Joaquin Partnership (CM)
- Res. C-21 Adopt Resolution Appropriating Additional Funds for Professional Services to Accommodate the Need for Building Inspector Services (\$160,000) (CD)
- C-22 Receive Report Regarding Communication Pertaining to Senate Bill 493 (Cannella) Regarding City Council Elections (CLK)
- Res. C-23 Adopt Resolution Amending Traffic Resolution No. 97-148 by Approving a 50 Miles-Per-Hour Speed Limit on Lodi Avenue from West City Limits to Rose Gate Drive (PW)

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

E. Comments by the City Council Members on Non-Agenda Items

F. Comments by the City Manager on Non-Agenda Items

G. Public Hearings

- Res. G-1 Continued Public Hearing to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (PW)
- Res. G-2 Public Hearing to Consider Resolution Adopting Final Engineer's Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2015/16, and Ordering the Levy and Collection of Assessments (PW)

H. Communications

- H-1 Appointments to the Greater Lodi Area Youth Commission (Student Appointees), Library Board of Trustees, and Lodi Arts Commission; Re-Post for Remaining Vacancy on Lodi Arts Commission; and Post for Vacancy on Recreation Commission (CLK)
- H-2 Monthly Protocol Account Report (CLK)

I. Regular Calendar

- Res. I-1 Adopt Resolution Approving Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period January 1, 2015 through December 31, 2017 and Appropriating Funds (\$426,611) (CM)
- Res. I-2 Adopt Resolution Approving Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period January 1, 2015 through December 31, 2017 and Appropriating Funds (\$359,319) (CM)
- Ord. I-3 Introduce Ordinance Amending Lodi Municipal Code Title 15 – Buildings and Construction – by (Introduce) Repealing and Re-Enacting Chapter 15.65, "San Joaquin County Regional Transportation Impact Fee," in its Entirety (PW)
- Res. I-4 Adopt Resolution of Intention to Establish the Lodi Tourism Business Improvement District and Res. Setting Public Meeting for August 5, 2015, and Public Hearing for September 2, 2015; and Resolution Requesting Consent of the County of San Joaquin to Create the Lodi Tourism Business Improvement District (CM)

J. Ordinances

- Ord. J-1 Ordinance No. 1906 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal (Adopt) Code Chapter 13.20 – Electrical Service – by Repealing and Re-Enacting Section 13.20.315(C), 'Schedule EDR – Economic Development Rate,' to Re-Enact the Utility Rate Discount from September 1, 2015 to June 30, 2018" (CLK)

K. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.

Meetings of the Lodi City Council are telecast on SJTV, Channel 26. The City of Lodi provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the City's website at www.lodi.gov by clicking the meeting webcasts link.



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Presentation of Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

MEETING DATE: July 15, 2015

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Mayor Johnson present the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

BACKGROUND INFORMATION: The City of Lodi has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. This is the twenty-second consecutive year that the City has been awarded this Certificate of Achievement.

The award represents a significant achievement by the government and its management. It reflects the commitment of the governing body and staff to meeting the highest principles of financial reporting. The award program was instituted to encourage all government units to prepare and publish an easily readable and understandable Comprehensive Annual Financial Report covering all funds and financial transactions of the government during the fiscal year. In order to receive the award, the entity had to satisfy nationally recognized guidelines for effective presentation of financial information.

When a Certificate of Achievement for Excellence in Financial Reporting Award is granted to an entity, a Certificate of Recognition is also presented to the individuals designated as being primarily responsible for its having achieved the award. This Certificate of Recognition is being presented to:

Ruby R. Paiste, Financial Services Manager
Wendy Corder-Dowhower, Supervising Accountant

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: _____
Stephen Schwabauer, City Manager



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims through June 18, 2015 in the total amount of \$4,036,663.15

MEETING DATE: July 15, 2015

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$4,036,663.15.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$4,036,663.15 through 06/18/15. Also attached is Payroll in the amount of \$2,784,056.94.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste
Financial Services Manager

RRP/mlm

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

Council Report

City of Lodi, CA - v10.5 Live

5/29/2015 through 6/18/2015

Fund	Amount
100 - General Fund	2,261,908.37
120 - Library Fund	8,696.73
140 - Expendable Trust	64,544.96
200 - Parks Rec & Cultural Services	67,326.65
270 - Comm Dev Special Rev Fund	1,122.74
300 - Street Fund	5,290.00
301 - Gas Tax-2105 2106 2107	27,154.40
302 - Gas Tax -2103	301.96
303 - Measure K Funds	33,755.15
307 - Federal - Streets	354.51
350 - H U D	12,701.58
403 - Vehicle Replacement Fund - PD	26,907.40
407 - Vehicle Replacement Fund- PRCS	31,098.60
431 - Capital Outlay/General Fund	118,347.18
432 - Parks & Rec Capital	600.00
434 - Arts in Public Places-IMF	750.00
437 - IMF Parks & Rec Facilities	1,898.05
500 - Electric Utility Fund	113,708.25
504 - Public Benefits Fund	32,640.91
508 - Environmental Compliance	1,466.83
530 - Waste Water Utility Fund	109,633.13
531 - Waste Wtr Util-Capital Outlay	420,726.57
560 - Water Utility Fund	92,423.03
561 - Water Utility-Capital Outlay	441,051.14
565 - PCE/TCE Rate Abatement Fund	3,946.45
590 - Central Plume	12,577.26
593 - Northern Plume	1,500.00
600 - Dial-a-Ride/Transportation	22,986.05
601 - Transit Capital	330.00
602 - Transit-Prop. 1B -PTMISEA	340.08
650 - Internal Service/Equip Maint	48,072.62
655 - Employee Benefits	62,128.34
660 - General Liabilities	2,535.79
665 - Worker's Comp Insurance	6,626.74
801 - L&L Dist Z1-Almond Estates	1,211.68
Total	4,036,663.15

Council Report: Payroll
City of Lodi, CA - v10.5 Live
Pay Period 6/7/2015

Fund	Description	Amount
100	General Fund	1,701,103.98
120	Library Fund	65,080.84
200	Parks Rec & Cultural Services	243,782.56
214	LPD-OTS Grants	19,261.64
270	Comm Dev Special Rev Fund	48,693.54
301	Gas Tax-2105 2106 2107	53,211.74
500	Electric Utility Fund	338,979.66
530	Waste Water Utility Fund	220,120.92
560	Water Utility Fund	40,445.20
600	Dial-a-Ride/Transportation	16,821.82
650	Internal Service/Equip Maint	28,741.76
655	Employee Benefits	7,813.28
Report Total		2,784,056.94



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) June 9, 2015 (Shirtsleeve Session)
b) June 10, 2015 (Special Meeting)
c) June 16, 2015 (Shirtsleeve Session)
d) June 17, 2015 (Regular Meeting)
e) June 23, 2015 (Shirtsleeve Session)
f) June 23, 2015 (Special Meeting)
g) June 30, 2015 (Shirtsleeve Session)
h) July 1, 2015 (Regular Meeting)

MEETING DATE: July 15, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) June 9, 2015 (Shirtsleeve Session)
b) June 10, 2015 (Special Meeting)
c) June 16, 2015 (Shirtsleeve Session)
d) June 17, 2015 (Regular Meeting)
e) June 23, 2015 (Shirtsleeve Session)
f) June 23, 2015 (Special Meeting)
g) June 30, 2015 (Shirtsleeve Session)
h) July 1, 2015 (Regular Meeting)

BACKGROUND INFORMATION: Attached are copies of the subject minutes marked Exhibit A through H, respectively.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 9, 2015**

The June 9, 2015, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled due to lack of a quorum.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JUNE 10, 2015**

A. Call to Order / Roll Call

The Special City Council meeting of June 10, 2015, was called to order by Mayor Johnson at 7:00 p.m.

Present: Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: Council Member Kuehne

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Regular Calendar

B-1 Adopt Resolution Approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2015 and Ending June 30, 2016 and Approving the Fiscal Year 2015/16 Appropriation Spending Limit (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2015/16 budget. Specific topics of discussion included General Fund departments, General Fund balances, departmental funding, Police Department, Fire Department, Public Works Department, Administration Department, Internal Services Department, Non-Departmental budget, Capital Outlay, all funds, labor, positions, California Public Employees Retirement System (Cal-PERS) projections, and major capital projects.

In response to Mayor Pro Tempore Chandler, Mr. Ayers stated that the Cal-PERS obligation for the current year is built into the budget, but the future years' expectations do not have a designated reserve because it is reviewed on a year-by-year basis. City Manager Schwabauer explained that staff has reviewed the budget going forward over the next five years, including the projected Cal-PERS obligation, and staff believes the City will have adequate revenue to pay for its other obligations.

Council Member Mounce stated that new legislation requires the City to report Other Post Employment Benefits (OPEB) and unfunded liabilities, and she requested Mr. Ayers explain the new rule. Mr. Ayers stated that previously these unfunded liabilities were demonstrated as a footnote in the Comprehensive Annual Financial Report (CAFR); however, GASB 74 and 75 will require that the liability is shown on the balance sheet, which will make it appear there is a significant deficit due to the pension obligation in the \$90 million range and \$17 million for OPEB. In further response, Mr. Ayers stated the calculations are based on actuarial assumptions and experience.

In response to Council Member Nakanishi, Mr. Ayers stated that the balance sheet shows the net debts and assets, and this new required reporting will be on the face of the balance sheet, which will show equities in a deficit position.

Mayor Johnson questioned if the City has information on upcoming City-wide retirements for succession planning purposes, to which Mr. Ayers stated that staff knows and can plan from the perspective of how many years of service and ages of employees, but there are still unexpected retirements. Mr. Schwabauer added that there were a number of retirements pending in the Police Department; however, it appears that many of them will stay longer than originally anticipated.

In response to Mayor Johnson, Interim Police Chief Tod Patterson stated that the delay in

purchasing body cameras is due to creating a policy so there is full employee understanding of the expectations and to see what legislation will ultimately require. Police Captain David Griffin added that the primary issue involves the videos and when officers are permitted to watch: before or after writing a report. Pending litigation may dictate that officers cannot view the video until after the report is prepared. Additionally, staff is researching what the departmental costs will be for reviewing videos and making copies for court and trying to ascertain if a part-time or full-time staff person will be necessary.

In response to Council Member Mounce, Mr. Ayers confirmed that funding in the amount of \$20,000 for the spay and neuter program is in the Police Department budget, which is the same amount as the previous year.

In response to Mayor Johnson, Fire Chief Larry Rooney stated that the department recently hired six firefighters, but two did not pass the probationary period. There are four positions participating in the Stockton academy, which would bring the department up to full compliment.

In response to Council Member Mounce regarding community events, Mr. Ayers stated this fund primarily covers support for the Grape Festival for Police overtime costs with a reimbursement of \$25,000 from the Festival to the City to offset costs, as well as the Fireworks Task Force, which is fully reimbursed. In further response, Mr. Ayers stated that it has been approximately three years since the reimbursement amount with the Grape Festival has been renegotiated.

Council Member Mounce stated that \$21,000 is still listed for enterprise zone administration, but the program has been dissolved and this money should be allocated elsewhere. Business Development Manager Adam Brucker stated that he believed it was associated with the wind-down of the enterprise zone and the City's contribution to Worknet, but he would get a definitive answer prior to budget adoption.

Council Member Mounce questioned why there were contradicting figures for the non-departmental account between the draft budget document (\$9 million) and the presentation (\$7 million), to which Mr. Ayers explained that capital projects need to be added to the figure and the debt service needs to be offset.

In response to Council Member Nakanishi, Mr. Ayers stated that the City opts to show utility costs for City facilities in the non-departmental fund versus breaking down costs by building size and department, but organizations handle this in a variety of ways.

In response to Mayor Pro Tempore Chandler, Mr. Ayers stated that if the wayfinding signage program moved forward, Council would designate the funding source for the program. Staff initially intended the funding to come from the Street Fund.

In response to Council Member Nakanishi, Mr. Schwabauer stated that the \$3.6 million under non-departmental for Parks, Recreation, and Cultural Services (PRCS) is reflected in the PRCS budget as a credit.

In response to Council Member Mounce, Mr. Ayers explained that the transfers in and out of each of the funds are detailed on page 379 of the budget under the supplemental section.

In response to Council Member Mounce, Public Works Director Wally Sandelin stated that the animal shelter improvements included refurbishing the interior wall spaces in the main shelter to replace damage from rodent infestation.

In response to Mayor Johnson, Mr. Ayers stated that the financial, human resources, and payroll systems in the Tyler Program are up and running. The next phase will include animal licenses and business licenses, which will go live in August or September, followed by the utility billing implementation, which will likely be online in early December. The fleet management system, scheduled to go live in early January, will be the last component, after which staff will fine tune the system to best meet the City's needs. With regard to information technology replacements, the funding is geared toward replacing major infrastructure pieces, and he added that the new

Information Technology Manager will be reviewing what is in place and when each piece will need to be replaced.

Council Member Mounce questioned if staff has had an opportunity to utilize the League of California Cities financial program, to which Mr. Ayers responded that he has reviewed the basics of the program and entered historical information, but he has not yet entered the projections. The program builds off of the City's published CAFR, but because it delves deeper into the financials, it requires a significant amount of time to accomplish.

Mayor Johnson questioned if Cal-PERS has adjusted its methodology in order to react faster to market changes and be in a more offensive position. Mr. Ayers stated that Cal-PERS has an investment model and asset allocation model; it has toned down its aggressiveness of the asset allocation; and it has had decent returns; however, it has also stabilized the fund by passing on larger payments to its constituents.

In response to Council Member Nakanishi, Mr. Schwabauer stated that both Parks and Recreation and the Library are special revenue funds to instill fiscal discipline to ensure their revenues grow as their expenses grow. Prior to the non-departmental account, these funds were included in the general fund and, once pulled out of the general fund, there needed to be a place to put the general fund contribution into those programs. The non-departmental fund is a vehicle to show where the general fund contribution will be put to transfer those dollars.

Council Member Mounce stated there was merit for merging Parks and Recreation with the Community Center and that Parks, Recreation, and Cultural Services Director Jeff Hood changed these departments dramatically. She added that she would like to see the funding moved to the department and not run through non-departmental, even with the general fund contribution. Mr. Schwabauer stated that perhaps another fund can be created to demonstrate the contribution, and Mr. Ayers added that it could be called operating transfers to other departments, but it would in essence serve the same purpose.

Alex Aliferas stated there will be a pension reform initiative next year and encouraged Council to visit www.reformcalifornia.org to learn more. In response to Council Member Mounce, Mr. Aliferas stated that the initiative has been drafted and should be in circulation this year in time for the 2016 ballot. Mayor Johnson stated this initiative has a tough battle ahead because of the number of signatures needed to qualify, the issues surrounding one of the authors of the legislation, and other hot-topic issues on the 2016 ballot.

C. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:58 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 16, 2015**

The June 16, 2015, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Pamela M. Farris
Deputy City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JUNE 17, 2015**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of June 17, 2015, was called to order by Mayor Johnson at 6:30 p.m. at Hutchins Street Square, 125 South Hutchins Street, Lodi.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and Deputy City Clerk Farris

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Unrepresented Confidential Employees, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, and Lodi Professional Firefighters Pursuant to Government Code §54957.6 (CM)

C-3 Adjourn to Closed Session

At 6:30 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 7:00 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:06 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Item C-2(a) was discussion and direction only with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of June 17, 2015, was called to order by Mayor Johnson at 7:06 p.m.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and Deputy City Clerk Farris

B. Presentations

B-1 Presentation Regarding the 2015 Youth Energy Summit (CM)

Adam Brucker, Business Development Manager, gave a short presentation on the recent 2015 Youth Energy Summit. Mayor Johnson presented Certificates of Recognition to Tokay High School students Simaron Dhillon and Theresa Mall for receiving First Place at the recent 2015 Youth Energy Summit. Unable to attend to receive their Certificates of Recognition were Julie Fukunaga and Kristen Fukunaga.

B-2 2015 National Dump the Pump Day Proclamation (PW)

Mayor Johnson presented a proclamation for 2015 National Dump the Pump Day to Julia Tyack, City of Lodi Transportation Planner, and Jeff Kohlhepp, MV Transportation General Manager. Ms. Tyack invited Council and the public to ride the GrapelLine fixed-route buses for free on June 18, in honor of National Dump the Pump Day. Mr. Kohlhepp invited the Council and the public to participate in the raffle for fixed-route bus passes.

B-3 Parks Make Life Better Month Proclamation (PRCS)

Mayor Johnson presented a proclamation for Parks Make Life Better Month to Recreation Commissioner David Akin, representing the Parks, Recreation, and Cultural Services Department and the Recreation Commission. Mr. Akin urged the public to support Lodi's parks and presented a handout to Council regarding donations to the Lodi Parks and Recreation Fund and the Lodi Parks Endowment Fund.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Following the reading of the Consent Calendar, Council Member Mounce questioned why Item Nos. C-6, C-18, C-19, and C-22 were included on the agenda when the cost of those contracts were within the City Manager's signature authority. City Manager Schwabauer responded that those items included options for renewal which would put the final cost above the \$20,000 limit. In response to Council Member Mounce, Mr. Schwabauer verified that the Blue Sheets for Item Nos. C-13 through C-17 were revisions to the contract adding a clause for an optional one-year extension.

Council Member Mounce made a motion, second by Mayor Pro Tempore Chandler, to approve the following items hereinafter set forth in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$6,610,677.57 (FIN)

Claims were approved in the amount of \$6,610,677.57.

C-2 Approve Minutes (CLK)

The minutes of May 26, 2015 (Special Meeting), June 2, 2015 (Shirtsleeve Session), and June 3, 2015 (Regular Meeting) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for School Street Trewell LED Light Retrofit Project - Lodi Avenue to Locust Street (PW)

Approved plans and specifications and authorized advertisement for bids for School Street Trewell Light Emitting Diode (LED) Light Retrofit Project - Lodi Avenue to Locust Street.

C-4 Accept Donations for Memorial Bench and Plaques at Various City Parks (PRCS)

Accepted donations for memorial bench and plaques at various City parks.

- C-5 Adopt Resolution Awarding Contract for 2015/16 Landscape Maintenance of Miscellaneous Areas and Lodi Consolidated Landscape Assessment District No. 2003-1 to New Image Landscape Company, of Fremont (\$185,276) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2015-75 awarding the contract for the 2015/16 Landscape Maintenance of Miscellaneous Areas and Lodi Consolidated Landscape Assessment District No. 2003-1 to New Image Landscape Company, of Fremont, in the amount of \$185,276, and authorizing the Public Works Director to execute extensions.

- C-6 Adopt Resolution Awarding Contract for 2015/16 Transit Station Landscape Maintenance to Marina Landscape, Inc., of Livermore (\$15,520) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2015-76 awarding the contract for the 2015/16 Transit Station Landscape Maintenance to Marina Landscape, Inc., of Livermore, in the amount of \$15,520, and authorizing the Public Works Director to execute extensions.

- C-7 Accept Improvements Under Contract for City Hall Boiler Replacement Project (PW)

Accepted improvements under the contract for the City Hall Boiler Replacement Project.

- C-8 Accept Improvements Under Contract for Downtown Concrete Cleaning (PW)

Accepted improvements under the contract for the Downtown Concrete Cleaning Project.

- C-9 Adopt Resolution Authorizing City Manager to Execute a Two-Year Customer Support Agreement with L & H Airco, of Roseville, for Maintenance of Climate Control Energy Management Systems at City Facilities and Authorizing Public Works Director to Execute a One-Year Extension (\$42,765) (PW)

Adopted Resolution No. 2015-77 authorizing the City Manager to execute a two-year Customer Support Agreement with L & H Airco, of Roseville, for maintenance of climate control energy management systems at City facilities, in the amount of \$42,765, and authorizing the Public Works Director to execute a one-year extension.

- C-10 Adopt Resolution Approving the Master Lease Agreement with the Lodi Grape Festival and National Wine Show Association for Use of Various Festival Ground Facilities (\$21,000) (PRCS)

Adopted Resolution No. 2015-78 approving the Master Lease Agreement with the Lodi Grape Festival and National Wine Show Association for use of various Festival Ground facilities, in the amount of \$21,000.

- C-11 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Telstar Instruments, of Sacramento, for SCADA Instrumentation, Maintenance, and Integration Services (\$80,000) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2015-79 authorizing the City Manager to execute a Professional Services Agreement with Telstar Instruments, of Sacramento, for SCADA instrumentation, maintenance, and integration services, in the amount of \$80,000, and authorizing the Public Works Director to execute extensions.

C-12 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Jorgensen Company, of Modesto, for Citywide Fire Extinguisher Maintenance and Authorizing Public Works Director to Execute a One-Year Extension (\$25,000) (PW)

Adopted Resolution No. 2015-80 authorizing the City Manager to execute a two-year Professional Services Agreement with Jorgensen Company, of Modesto, for Citywide fire extinguisher maintenance, in the amount of \$25,000, and authorizing the Public Works Director to execute a one-year extension.

C-13 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Munoz Roofing, Inc., of Acampo, for Citywide Roofing Repairs and Authorizing Public Works Director to Execute a One-Year Extension (\$40,000) (PW)

Adopted Resolution No. 2015-81 authorizing the City Manager to execute a two-year Professional Services Agreement with Munoz Roofing, Inc., of Acampo, for Citywide roofing repairs, in the amount of \$40,000, and authorizing the Public Works Director to execute a one-year extension.

C-14 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with ICR Refrigeration, Inc., of Lodi, for City Facilities Heating, Ventilation, and Air Conditioning Maintenance Services and Authorizing Public Works Director to Execute a One-Year Extension (\$150,000) (PW)

Adopted Resolution No. 2015-82 authorizing the City Manager to execute a two-year Professional Services Agreement with ICR Refrigeration, Inc., of Lodi, for City facilities heating, ventilation, and air conditioning maintenance services, in the amount of \$150,000, and authorizing the Public Works Director to execute a one-year extension.

C-15 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with A & A Electric, of Acampo, for City Facilities Electrical Repairs and Authorizing Public Works Director to Execute a One-Year Extension (\$30,000) (PW)

Adopted Resolution No. 2015-83 authorizing the City Manager to execute a two-year Professional Services Agreement with A & A Electric, of Acampo, for City facilities electrical repairs, in the amount of \$30,000, and authorizing the Public Works Director to execute a one-year extension.

C-16 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Service 1st Overhead Door, of Acampo, for City Facilities Roll-Up Door and Gate Repairs and Authorizing Public Works Director to Execute a One-Year Extension (\$30,000) (PW)

Adopted Resolution No. 2015-84 authorizing the City Manager to execute a two-year Professional Services Agreement with Service 1st Overhead Door, of Acampo, for City facilities roll-up door and gate repairs, in the amount of \$30,000, and authorizing the Public Works Director to execute a one-year extension.

C-17 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with ABC Plumbing, Heating, and Air Conditioning, of Lodi, for City Facilities Plumbing Repair Services and Authorizing Public Works Director to Execute a One-Year Extension (\$30,000) (PW)

Adopted Resolution No. 2015-85 authorizing the City Manager to execute a two-year Professional Services Agreement with ABC Plumbing, Heating, and Air Conditioning, of Lodi, for City facilities plumbing repair services, in the amount of \$30,000, and authorizing the Public Works Director to execute a one-year extension.

C-18 Adopt Resolution Authorizing City Manager to Execute Amendment No. 3 to Professional Services Agreement with Stantec Consulting Services, Inc., of Rancho Cordova, for On Call Environmental Services and Appropriating Funds (\$15,000) (PW)

Adopted Resolution No. 2015-86 authorizing the City Manager to execute Amendment No. 3 to the Professional Services Agreement with Stantec Consulting Services, Inc., of Rancho Cordova, for on call environmental services and appropriating funds in the amount of \$15,000.

C-19 Adopt Resolution Authorizing City Manager to Amend Professional Services Agreement with Adecco Staffing Services, of Stockton, to Add Laboratory Technician (\$17,000) (PW)

Adopted Resolution No. 2015-87 authorizing the City Manager to amend the Professional Services Agreement with Adecco Staffing Services, of Stockton, to add a Laboratory Technician, in the amount of \$17,000.

C-20 Adopt Resolution Authorizing City Manager to File Claim for 2014/15 Transportation Development Act Funds in the Amount of \$2,906,110 from Local Transportation Fund and \$268,778 from State Transit Assistance Fund (PW)

Adopted Resolution No. 2015-88 authorizing the City Manager to file a claim for 2014/15 Transportation Development Act funds in the amount of \$2,906,110 from the Local Transportation Fund and \$268,778 from the State Transit Assistance Fund.

C-21 Adopt Resolution of Consideration to Reduce Special Taxes and Annual Index for Community Facilities District No. 2007-1 and Setting Public Hearing for August 5, 2015 (CM)

Adopted Resolution No. 2015-89 of consideration to reduce special taxes and the annual index for Community Facilities District No. 2007-1 and setting a public hearing for August 5, 2015.

C-22 Adopt Resolution Authorizing City Manager to Apply for Lodi's Share of the 2015 Edward Byrne Memorial Justice Assistance Grant (\$19,784) (PD)

Adopted Resolution No. 2015-90 authorizing the City Manager to apply for Lodi's Share of the 2015 Edward Byrne Memorial Justice Assistance Grant in the amount of \$19,784.

C-23 Adopt Resolution Authorizing City Manager to Apply for the Department of Justice Technology Innovation for Public Safety Fiscal Year 2015 Competitive Grant (PD)

Adopted Resolution No. 2015-91 authorizing the City Manager to apply for the Department of Justice Technology Innovation for Public Safety Fiscal Year 2015 Competitive Grant.

C-24 Adopt Resolution Authorizing City Manager to Execute Grant Award from the Department of Alcoholic Beverage Control and Appropriating Funds (\$38,336) (PD)

Adopted Resolution No. 2015-92 authorizing the City Manager to execute a grant award from the Department of Alcoholic Beverage Control and appropriating funds in the amount of \$38,336.

C-25 Adopt Resolution Approving Parks, Recreation, and Cultural Services Fees (PRCS)

Prior to the vote on the Consent Calendar, Council Member Mounce expressed concern that significant changes were being made to the fee structure and requested that a Shirtsleeve Session be held to receive more information before taking a vote on a new fee schedule. Mayor Johnson replied that the fees have been discussed previously. City Manager Schwabauer stated that Parks, Recreation, and Cultural Services Director Jeff Hood had a PowerPoint presentation ready, but Council Member Mounce replied that the PowerPoint presentation should be given at a Shirtsleeve Session.

Mr. Hood stated that the fee schedule was the topic of the Shirtsleeve Session held on

January 20, 2015, and a previous session in 2014. He clarified that the schedule includes new fees for park facility and picnic shelter rentals and an adjustment for Kirst Hall Saturday rental rates. He further commented that most of the fee changes are inflation-based; there were increases to the non-residential rates; Lodi Lake fees are a premium rate to reflect the unique environment and amenities available there, but the fees for the other parks are at market rate to the other agencies surrounding Lodi; and all of the fees were approved by the Recreation Commission.

In response to Council Member Mounce, Mr. Hood confirmed that the Recreation Commission had endorsed all of the changes prior to the January 2015 Shirtsleeve Session, with the exception of the park shelter amenities, which were approved at meetings in May and June. He further added that the commercial photography park permit fee had been lowered from the original proposed fee by the Recreation Commission in response to comments received from Council at the Shirtsleeve Session.

In response to Council Member Mounce, Mr. Hood confirmed that all of the fee changes have come before Council before and are now being brought back as a group for approval.

Following the discussion, Council Member Mounce agreed to keep the item on the Consent Calendar.

Adopted Resolution No. 2015-93 approving Parks, Recreation, and Cultural Services fees.

C-26 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)

Received an update on the emergency condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2.

In response to Council Member Nakanishi, Public Works Director Wally Sandelin explained that the work on the digesters is a \$3.1 million project; the project is running on schedule but is not complete; Digester No. 1 is finished; Digester No. 2 is due to be completed in August; and there have not been any cost over-runs at this point.

C-27 Adopt Resolution Amending Traffic Resolution No. 97-148 by Establishing Surface Transportation Assistance Act Truck Route on Harney Lane from Stockton Street to Cherokee Lane (PW)

Adopted Resolution No. 2015-94 amending Traffic Resolution No. 97-148 by establishing a Surface Transportation Assistance Act (STAA) truck route on Harney Lane from Stockton Street to Cherokee Lane.

C-28 Adopt Resolution Initiating Proceedings for the Levy and Collection of Assessments, Resolution Approving the Annual Report, and Resolution Declaring Intention to Levy and Collect Assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for Fiscal Year 2015/16; and Set Public Hearing for July 15, 2015 (PW)

Adopted Resolution No. 2015-95 initiating proceedings for the levy and collection of assessments, Resolution No. 2015-96 approving the Annual Report, and Resolution No. 2015-97 declaring the intention to levy and collect assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for Fiscal Year 2015/16; and set a public hearing for July 15, 2015.

C-29 Adopt Resolution Declaring Intention to Annex Territory to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax Therein and Setting Public Hearing for August 5, 2015 (PW)

Adopted Resolution No. 2015-98 declaring the intention to annex territory to Community Facilities District No. 2007-1 (Public Services) and to levy a special tax therein and setting a public hearing for August 5, 2015.

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

None.

E. Comments by the City Council Members on Non-Agenda Items

Council Member Mounce expressed her concern over the public receiving information regarding the current water restrictions, to which Deputy City Manager Jordan Ayers confirmed that the current utility billing cycle is receiving a notification in both English and Spanish. Council Member Mounce also expressed gratitude for the efforts that Kathy Grant is putting forth in educating the public about water conservation for homes and landscaping. Public Works Director Wally Sandelin added that 5,000 door hangers are being printed for distribution in the areas with known problems and that the City is also participating in the upcoming insert in the Lodi News-Sentinel regarding the drought. Council Member Mounce further commented that while she appreciated having the air conditioning here at Hutchins Street Square, she was disappointed that tonight's meeting was not taking place at Carnegie Forum where the meeting could be televised for the budget adoption.

Council Member Nakanishi shared information regarding a draft ordinance from the California Department of Water Resources in terms of limitations being placed on the landscaping being installed for new homes and businesses. Mr. Sandelin confirmed that his department is aware of the requirements.

Mayor Johnson commented that he believed that the Lodi Police Partners could watch for water waste during the course of their duties and suggested that they hand out information, such as the door hangers. He stressed that he does not want the Partners to become involved in enforcement. Mr. Sandelin stated he will explore that option.

F. Comments by the City Manager on Non-Agenda Items

None.

G. Public Hearings

G-1 Continue Public Hearing to July 15, 2015, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (PW)

Council Member Mounce made a motion, second by Mayor Pro Tempore Chandler, to continue the public hearing to July 15, 2015, to consider adopting a resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

H. Communications - None

I. Regular Calendar

I-1 Adopt Resolution Approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2015 and Ending June 30, 2016 and Approving the Fiscal Year 2015/16 Appropriation Spending Limit (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation on the Fiscal Year 2015/16 budget. Specific topics of discussion included General Fund departments, General Fund account balances, departmental funding, Police Department, Fire Department, Public Works Department, Administration Department, Internal Services Department, non-departmental accounts, Capital outlay, all funds, labor, positions, Public Employees Retirement System (PERS) projections, major Capital projects, and action requested of Council.

In response to a question from the previous meeting, Mr. Ayers stated that the Spay and Neuter Program issued a little over \$14,000 in vouchers last year, of which about \$11,000 were redeemed, and the same allocation for the program is included in this budget.

In response to a question from the previous meeting, Mr. Ayers confirmed that the Enterprise Zone is defunct but that there is currently \$21,500 in the account which can be reallocated in this budget.

In response to Council Member Mounce, Mr. Ayers confirmed that the Enterprise Zone funds of \$21,500 could be reallocated to General Fund Capital Outlay and earmarked for the Animal Shelter.

Mr. Ayers commented that in regard to labor, all of the employee groups are under contract now except Fire; Police Mid-Management and AFSCME are on the agenda tonight; and a tentative agreement has been reached with the Police Officers Association with only a couple of items left to be fine-tuned and that contract should be coming to Council on July 15.

Council Member Mounce commented that the Chief Executive Officer of PERS will be speaking at the upcoming League of California Cities meeting and she will report back to Council what she learns at that session.

In response to Council Member Kuehne, Business Development Manager Adam Brucker explained that the \$500,000 Economic Development budget includes the City's support of the Lodi Conference and Visitor's Bureau, San Joaquin Partnership, Lodi District Chamber of Commerce, fireworks, Arts grants, concerts, Grape Festival, Celebration on Central, Sand Hill Crane Festival, and Fireworks Task Force. In response to Mayor Pro Tempore Chandler's question regarding promoting business outside of our area, Mr. Brucker explained that San Joaquin Partnership is our regional marketing body and serves to promote Lodi through out-of-state trade shows, represents the City throughout the state, and brings site-selectors to the City.

Council Member Nakanishi expressed his appreciation for Deputy City Manager Ayer's work on the budget and pointed out to the public the amount of money that the City is investing in parks (\$3.6 million) and the library (\$1.3 million) and that Fire Station No. 2 construction is debt-free.

Mr. Ayers clarified the adjustment to the submitted budget and resolution: Decreasing the

Economic Development Unit by \$21,500; increasing the Non-Departmental transfer out by \$21,500; and increasing the transfers in within the Community Outlay fund by \$21,500, earmarked for the Animal Shelter.

In response to Council Member Mounce, Mr. Ayers agreed that Supervising Budget Analyst Susan Bjork and Management Analyst Sandra Brage are to be commended for their hard work in producing the budget.

Council Member Nakanishi made a motion, second by Council Member Mounce, to adopt Resolution No. 2015-99 approving the City of Lodi Financial Plan and Budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016 and approving the Fiscal Year 2015/16 Appropriation Spending Limit, including the adjustment to the submitted budget and resolution decreasing the Economic Development Unit by \$21,500; increasing the Non-Departmental transfer out by \$21,500; and increasing the transfer in within the Community Outlay fund by \$21,500, earmarked for the Animal Shelter.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

I-2 Adopt Resolution Approving Memorandum of Understanding Between the City of Lodi and the Lodi Police Mid-Management Organization for the Period January 1, 2015 through December 31, 2017 and Appropriating Funds (\$58,018) (CM)

Deputy City Manager Jordan Ayers provided a summary of the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization.

Council Member Mounce made a motion, second by Mayor Pro Tempore Chandler, to adopt Resolution No. 2015-100 approving the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the period January 1, 2015 through December 31, 2017 and appropriating funds in the amount of \$58,018.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

I-3 Adopt Resolutions Approving Memorandums of Understanding Between the City of Lodi and AFSCME (General Services and Maintenance & Operators Units) for the Period January 1, 2015 through December 31, 2017; Extending Certain Provisions to Confidential General Services Employees; and Appropriating Funds (\$59,209) (CM)

Deputy City Manager Jordan Ayers provided a summary of the Memorandums of Understanding between the City of Lodi and AFSCME General Services and Maintenance & Operators units and the provisions that will be extended to Confidential General Services employees.

Council Member Mounce made a motion, second by Council Member Kuehne, to adopt Resolution No. 2015-101 approving the Memorandum of Understanding for the Period January 1, 2015 through December 31, 2017 between the City of Lodi and AFSCME - General Services unit; Resolution No. 2015-102 approving the Memorandum of Understanding between the City of Lodi and AFSCME - Maintenance & Operators unit; and Resolution No. 2015-203 extending certain provisions to Confidential General Services employees and appropriating funds in the amount of \$59,209.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

I-4 Introduce an Ordinance Amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by Repealing and Re-Enacting Section 13.20.315(C), "Schedule EDR - Economic Development Rate," to Re-Enact the Utility Rate Discount from September 1, 2015 to June 30, 2018 (CM)

Business Development Manager Adam Brucker provided background information on the Electrical Service Schedule EDR - Economic Development Rate. The current program will expire on June 30, 2015. The proposed ordinance would re-enact the discount program from September 1, 2015 to June 30, 2018. There would be no other changes to the program.

Council Member Mounce inquired if the City verifies that the new jobs that were created to qualify a company for the discount program are maintained over the course of the 12-month discount. Mr. Brucker responded that currently there are no checks in place, but staff can work on implementing an audit procedure. Council Member Mounce expressed concern that once a business qualified for a discount that it would then lay off the new employees but continue to receive the discount for the rest of the year. Deputy City Manager Jordan Ayers responded that Utility Billing staff do verify that a business has qualified for the discount but they do not physically go to the business; the verification process can be formalized.

In response to Council Member Mounce's question regarding the ratio of new businesses to new jobs, Mr. Brucker responded that he does not have a ratio, but in the past two years, applications for the program have totaled about 150 new jobs and 15 new businesses.

In response to Council Member Nakanishi's question regarding the longevity of the businesses applying for the discount, Mr. Brucker replied that in the time that he has been with the City, all of the companies have remained in business.

Council Member Nakanishi stated that he supports the program, as it is important to attract new businesses to Lodi.

Council Member Mounce stated that residents are subsidizing the discounts and that she hopes this is offset by other benefits to the citizens. In response, City Manager Schwabauer stated that General Mills is a phenomenal example of how large industrial users may be receiving a reduced rate but cannot truly be said to be subsidized by the ratepayers of the City. General Mills pays for 100% of the cost of its power and pays an additional \$1,000,000 per year into the maintenance and operations of the City's systems. The City will still have the same maintenance and operations costs once General Mills leaves; having a discount program in place encourages the large volume users to stay. Encouraging large volume users to stay and help pay for the maintenance and operations costs benefits the rate payers in the end. In response to Council Member Mounce's inquiry regarding the future of General Mills' property, Mr. Schwabauer stated that the City continues to meet with General Mills and to assist in marketing and sharing the program with potential buyers.

Mayor Johnson stated that moving forward in Economic Development, the City will be asked for discount programs and incentives, whether it be a new tenant for General Mills or other vacant industrial areas east of the City; it is part of the economic reality in the state of California.

Council Member Nakanishi stated that the discounts are a cost of doing business; the City is recouping the cost of the electricity plus some profit.

Mayor Pro Tempore Chandler made a motion, second by Council Member Kuehne, to introduce Ordinance No. 1906 amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by

repealing and re-enacting Section 13.20.315(C), "Schedule EDR - Economic Development Rate," to re-enact the Utility Rate Discount from September 1, 2015 to June 30, 2018.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Noes: None

Absent: None

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:23 p.m.

ATTEST:

Pamela M. Farris
Deputy City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 23, 2015**

The June 23, 2015, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 23, 2015**

A. Roll Call by City Clerk

The City Council Closed Session meeting of June 23, 2015, was called to order by Mayor Johnson at 7:00 a.m.

Present: Council Member Nakanishi, Mayor Pro Tempore Chandler, and Mayor Johnson

Absent: Council Member Kuehne, and Council Member Mounce

Also Present: City Attorney Magdich, and City Clerk Ferraiolo

B. Closed Session

B-1 Actual Litigation: Government Code §54956.9(a). One Case; Sukhwinder Kaur, Individually and as the Successor in Interest for the Decedent Parminder Singh Shergill, et. al. v. City of Lodi, et al.; U.S. District Court, Eastern District of California, Case No. 2:14-CV-00828-GEB-AC.

B-2 Actual Litigation: Government Code §54956.9(a). One Case; Andrew Perales v. City of Lodi, et al.; U.S. District Court, Eastern District of California, Case No. 2:15-CV-01107-MCE-CKD.

At 7:00 a.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 7:37 a.m.

C. Return to Open Session / Disclosure of Action

At 7:38 a.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Items B-1 and B-2 were discussion only with no reportable action.

D. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:38 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 30, 2015**

The June 30, 2015, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JULY 1, 2015**

The July 1, 2015, Regular Meeting of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Ham Lane Signal Modification Improvements 2015 - Vine, Tokay and Lockeford Streets

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications and authorize advertisement for bids for Ham Lane Signal Modification Improvements 2015 – Vine, Tokay and Lockeford Streets.

BACKGROUND INFORMATION: Currently, the signalized intersections on Ham Lane at Vine Street, Tokay Street and Lockeford Street (except in the north/ south direction) do not provide protected left turning movements for vehicles. The signals have operated this way for many years.

In 2014, Staff completed the annual, city wide intersection study list which recommended the protected left turn phases at these intersections be installed. The recommendation is based on criteria established in the California Manual on Uniform Traffic Control Devices.

This project consists of modifying traffic signals to accommodate protected left turn movements at the Vine Street, Tokay Street and Lockeford Street intersections on Ham Lane. The work includes installing four new signal poles (two each at Vine Street and Tokay Street), and new service pedestals, cabinet controller equipment, LED countdown pedestrian signals, at each of these locations.

The plans and specifications are on file in the Public Works office. The planned bid opening date is August 12, 2015. The estimated project cost is \$290,200.

FISCAL IMPACT: There will be a slight increase in signal maintenance costs at these intersections.

FUNDING AVAILABLE: Funding will be identified at project award.

F. Wally Sandelin
Public Works Director

Prepared by Dorothy Kam, Assistant Engineer
FWS/DK/tb
cc: City Engineer/Deputy Public Works Director

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Harney Lane Grade Separation Project

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications and authorize advertisement for bids for Harney Lane Grade Separation Project.

BACKGROUND INFORMATION: At the August 12, 2012 meeting, City Council designated the overhead grade separation and embankment design as the exclusive alternative for construction of the Harney Lane Grade Separation at the Union Pacific Railroad (UPRR) track crossing.

At the March 19, 2014 meeting, City Council authorized the City Manager to execute a Measure K Renewal Cooperative Agreement for Acquisition of Right-of-Way for the project. At the March 4, 2015 meeting, City Council authorized the City Manager to execute a Public Highway Overpass Crossing Agreement with Union Pacific Railroad for the project. At the March 18, 2015 meeting, City Council authorized the City Manager to file a California Public Utilities Commission, Section 190 application for the project.

This project consists of constructing, widening and realigning Harney Lane including the construction of a new three-span, cast in place, post tensioned concrete box girder approximately 248 feet long and 88 feet wide to grade separate Harney Lane at the Union Pacific Rail Road track. Work includes signal modifications (temporary & permanent), drainage and utility installation, street lighting, landscaping, constructing raised medians, curbs, gutters and sidewalks, and other incidental and related work, in accordance with the plans and specifications.

Mark Thomas & Company with Public Works staff, have completed plans and specifications for the Harney Lane Grade Separation Project. A drawing of the project area is attached for reference as Exhibit A.

The planned bid opening date is August 27, 2015. The construction cost estimate is \$14,800,000.

FISCAL IMPACT: Not Applicable.

FUNDING AVAILABLE: Funding will be identified at project award.

F. Wally Sandelin
Public Works Director

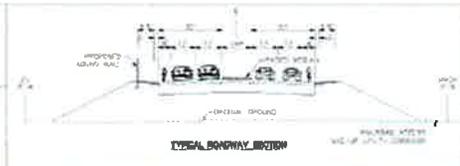
Prepared by Gary Wiman, Construction Project Manager
FWS/GRW/tb
Attachment

APPROVED: _____
Stephen Schwabauer, City Manager

CITY OF LODI - HARNEY LANE/UPRR
EXHIBIT - ALTERNATIVE 1
OVERHEAD (SLOPE EMBANKMENTS)



MARE THOMAS & COMPANY, INC.
Planning, Engineering, Surveying and Planning Services





CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Lake Park – Boat Launch Facility Improvements

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications and authorize advertisement for bids for Lodi Lake Park – Boat Launch Facility Improvements

BACKGROUND INFORMATION: In 2012 Council approved a grant application to the Department of Boating and Waterways for improvements to the boat ramp at Lodi Lake. The ramp has fallen into disrepair and the parking lot only provides six boat trailer stalls. In 2014 the City was awarded a grant in the amount of \$710,000 from the Harbor and Watercraft Revolving Fund. The grant agreement calls for the project to be completed by March 1, 2016 (pending an extension).

The Public Works and Parks Departments have worked together to prepare the plans and specifications for the project in conjunction with the State Department of Boating and Waterways. The construction of the ramp and the dock is anticipated to be completed in February 2016, when the lake is empty, while the remainder of the improvements will begin as early as September 2015.

While the focal point of the project is the new dock and ramp, the improvements also include full reconstruction of the parking lot, lighting upgrades, accessible parking stalls, accessible path improvements, drainage improvements, and landscape modifications. The new parking configuration will allow for 25 boat trailer stalls. See attached Exhibits A, B and C for photographs, project location, and proposed layout.

The specifications are on file in the Public Works Department. The planned bid opening date is August 12, 2015. The total project estimate is \$750,000.

FISCAL IMPACT: The project will reduce ongoing maintenance costs of the facility.

FUNDING AVAILABLE: Funding will be identified at project award.

F. Wally Sandelin
Public Works Director

Prepared by Sean Nathan, Associate Civil Engineer
FWS/SN/tb
Attachment
cc: Deputy Public Works Director / City Engineer
Parks, Recreation & Cultural Services Director

APPROVED: _____
Stephen Schwabauer, City Manager

Exhibit A



EXHIBIT B PROJECT LOCATION

PROJECT SITE / NORTH SIDE OF
LODI LAKE PARK - BOAT LAUNCH
FACILITY & PARKING LOT AREA

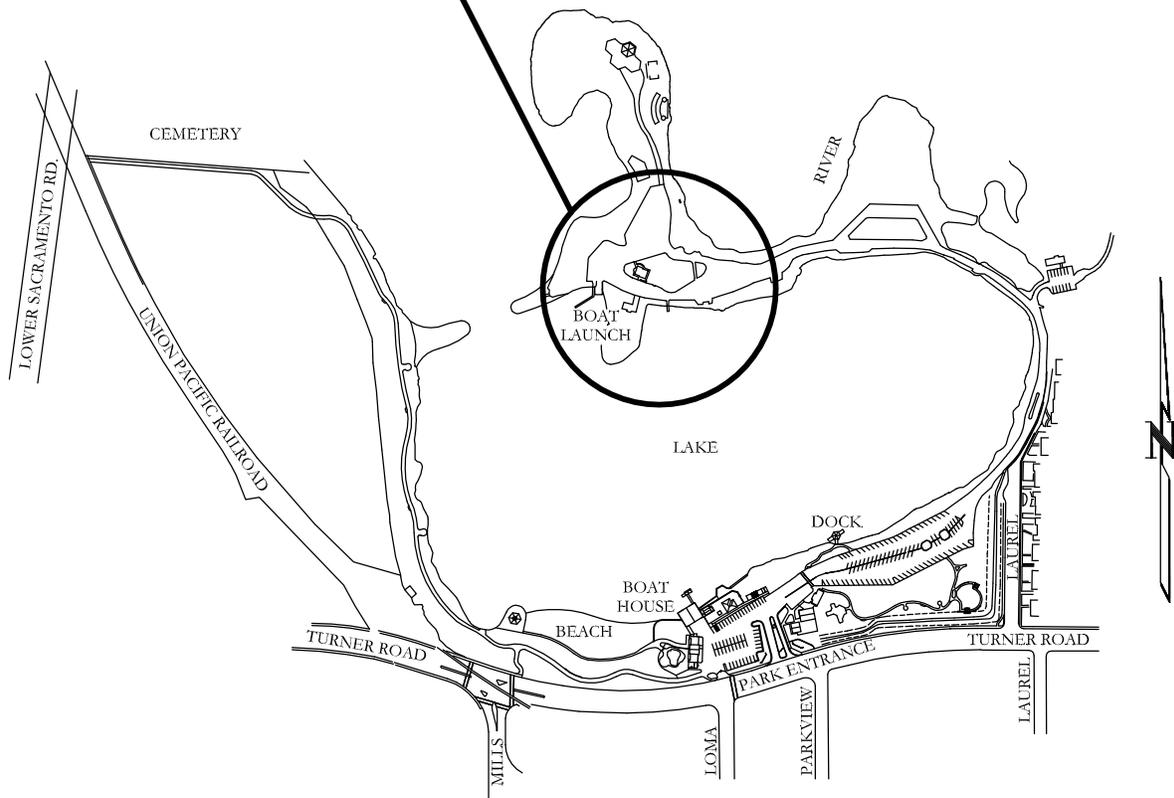
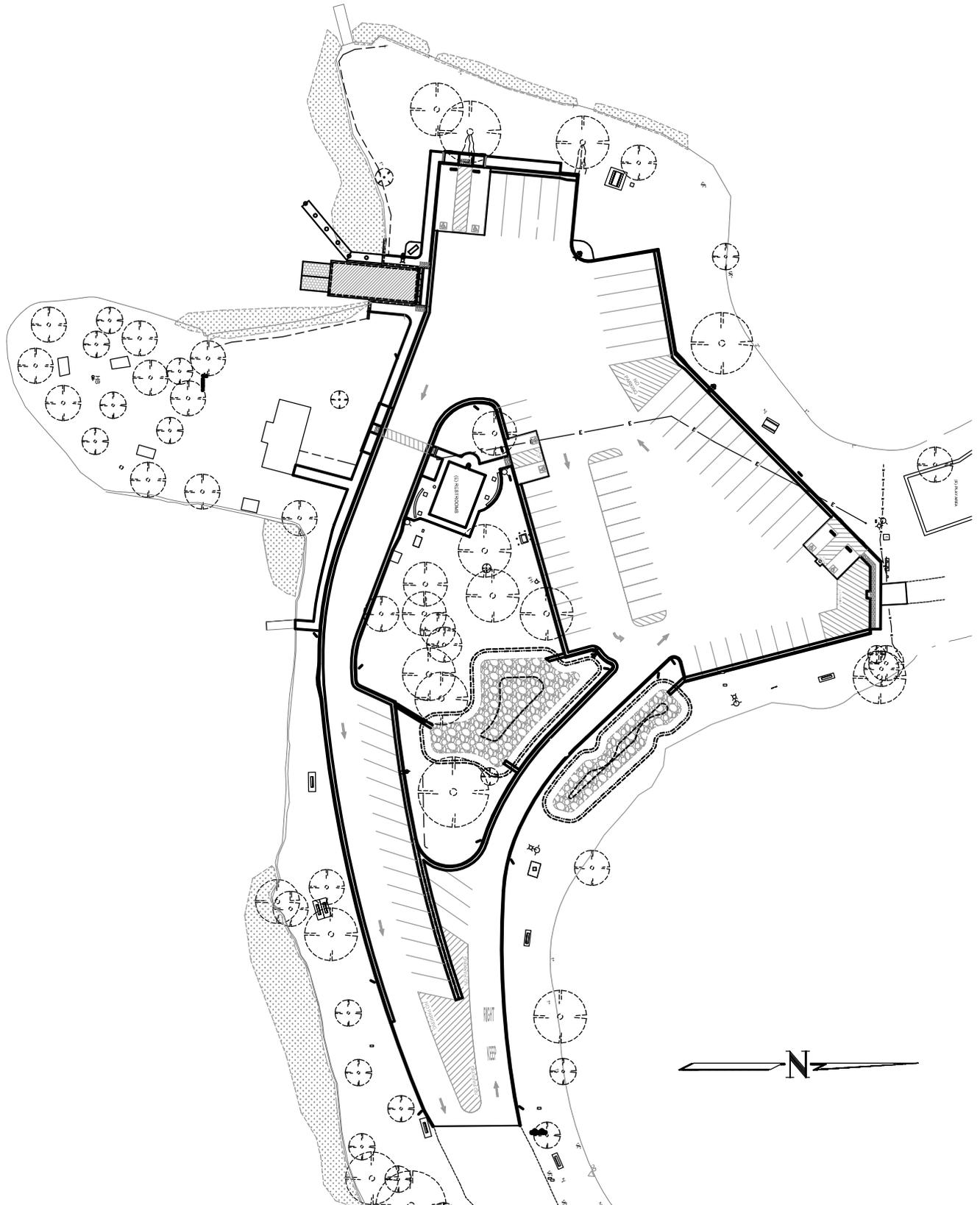


EXHIBIT C PROPOSED LAYOUT





CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Donation of Tree Planting Funds from Tree Lodi (\$7,000)
MEETING DATE: July 15, 2015
PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Accept donation of tree planting funds from Tree Lodi.

BACKGROUND INFORMATION: On February 18, 2015, Tree Lodi presented the City Council information on the Peterson Park Tree Replanting Project. The Council and members of the public were informed that 38 Bradford Pear trees were planned to be removed. Council was also informed that funding for 37 new trees and necessary project supplies were being provided by Tree Lodi, a nonprofit group dedicated to preserving and expanding Lodi's urban forest. On October 17, 2015, Tree Lodi was awarded a grant in the amount of \$7,000 through the California ReLeaf 2014-15 Social Equity Tree Planting Grant Program.

With the Peterson Park Tree replanting project successfully completed, Tree Lodi is fulfilling its commitment by donating \$7,000 to pay for the Peterson Park tree planting project.

FISCAL IMPACT: Donated funding will support the entire Peterson Park replanting project resulting in no impact to the parks operations account.

FUNDING AVAILABLE: Not applicable.

Jeff Hood
Parks, Recreation and Cultural Services Director

Prepared by Steve Dutra, Park Superintendent

JMR\SD:tl

cc: City Attorney

APPROVED: _____
Stephen Schwabauer, City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Authorizing the Purchase of ProTech Molle Tac Vests from LC Action of San Jose and Appropriating Funds (\$20,738)

MEETING DATE: July 15, 2015

PREPARED BY: Interim Chief of Police

RECOMMENDED ACTION: Adopt Resolution Authorizing the Purchase of ProTech Molle Tac Vests from LC Action of San Jose and appropriating funds (\$20,738).

BACKGROUND INFORMATION: The current Lodi Police Department Policy (section 210.1G) provides, in part, all officers in uniform working on patrol or in any patrol related function, special event, or detail shall wear a Department issued ballistics vest.

Ballistics vests expire after a five year period; the Lodi Police Department has identified a total of 14 ballistics vests that will need replacement within the next couple of months. These vests are used in the field, are required per uniform policy, and are critical for officer safety.

Three vendors provided quotes for 14 ballistics vests; the lowest bid from LC Action of San Jose for a total amount of \$41,158.70. Funding for a portion of this purchase is included in the FY 15/16 budget.

LC Action	\$41,158.70
AllState Police	\$45,052.00
Safariland	\$73,683.20

FISCAL IMPACT: Funding for this purchase will be through the 2014 Justice Assistance Grant and General Fund.

FUNDING AVAILABLE: FY 15/16 budget includes the General fund portion of funding.

10032000.72306 - \$20,420.70
21299000.77020 - \$20,738.00

Jordan Ayers
Deputy City Manager/Internal Services Director

Tod Patterson
Interim Chief of Police

TP/pjo

APPROVED: _____
Stephen Schwabauer, City Manager

1. AA# _____
 2. JV# _____

**CITY OF LODI
 APPROPRIATION ADJUSTMENT REQUEST**

TO: Internal Services Dept. - Budget Division
 3. FROM: Police Department 5. DATE: 5/6/15
 4. DEPARTMENT/DIVISION:

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	212	21200000	55024	Revenue - Other	\$ 20,738.00
B. USE OF FINANCING	212	21299000	77020	Capitol Projects	\$ 20,738.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

The 2014 JAG funds will cover a portion of the cost of the vest purchase. The remainder of the purchase will be covered through general fund dollars.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: TOL Part

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager _____ Date _____

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE PURCHASE OF PROTECH MOLLE TAC
VESTS FOR THE LODI POLICE DEPARTMENT AND
FURTHER APPROPRIATING FUNDS

=====

WHEREAS, the current Lodi Police Department Policy (Section 210.1G) provides, in part, all officers in uniform working on patrol or in any patrol-related function, special event, or detail shall wear a Department-issued ballistics vest; and

WHEREAS, the Lodi Police Department has identified a total of 14 ballistics vests that will need replacement within the next two months; and

WHEREAS, ballistics vests are used in the field, are required per uniform policy, and are critical for officer safety; and

WHEREAS, staff solicited quotes from three vendors, and LC Action, of San Jose, provided the lowest bid.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Lodi Police Department to purchase 14 ProTech Molle Tac Vests from LC Action, of San Jose, California, in an amount not to exceed \$41,159; and

BE IT FURTHER RESOLVED that funds in the amount of \$41,159 be appropriated from the 2014 Justice Assistance Grant and the General Fund for this purchase.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Awarding Contract for Shady Acres Pump Station Trash Handling Project to Diede Construction Inc., of Woodbridge (\$302,670) and Authorizing City Manager to Execute Contract

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution awarding contract for Shady Acres Pump Station Trash Handling Project to Diede Construction Inc., of Woodbridge, in the amount of \$302,670 and authorizing City Manager to execute contract.

BACKGROUND INFORMATION: This project consists of furnishing and installing a pre-fabricated storm water trash handling system and other incidental and related work, all as shown on the plans and specifications for the project.

The Shady Acres storm drain pump station serves 806 acres of developed land inside the B-1 Basin watershed (Exhibit A). The pump station is one of two locations in the City where storm water is discharged into the Woodbridge Irrigation District (WID) canal.

Currently, debris is discharged along with storm water into the WID canal by the pump station. The project objective is to improve water quality in the canal while complying with State mandated storm water permit requirements. The proposed design will remove oil, floating debris, trash and sediment from the storm water before it is discharged to the WID canal.

Plans and specifications for this project were approved on May 6, 2015. The City received the following 3 bids for this project on June 18, 2015.

Bidder	Location	Bid
Engineer's Estimate		\$ 535,000.00
Diede Construction Inc.	Woodbridge	\$ 302,669.88
Frank Loduca Co.	Stockton	\$ 365,800.00
Bamer Construction	Castro Valley	\$ 369,400.00

The project is included in the FY15/16 budget for \$700,000. The contractor has acknowledged the local hire and apprenticeship ordinance for the subject project.

FISCAL IMPACT: This project will increase the maintenance cost to the pump station for monitoring and maintenance of the trash handling unit.

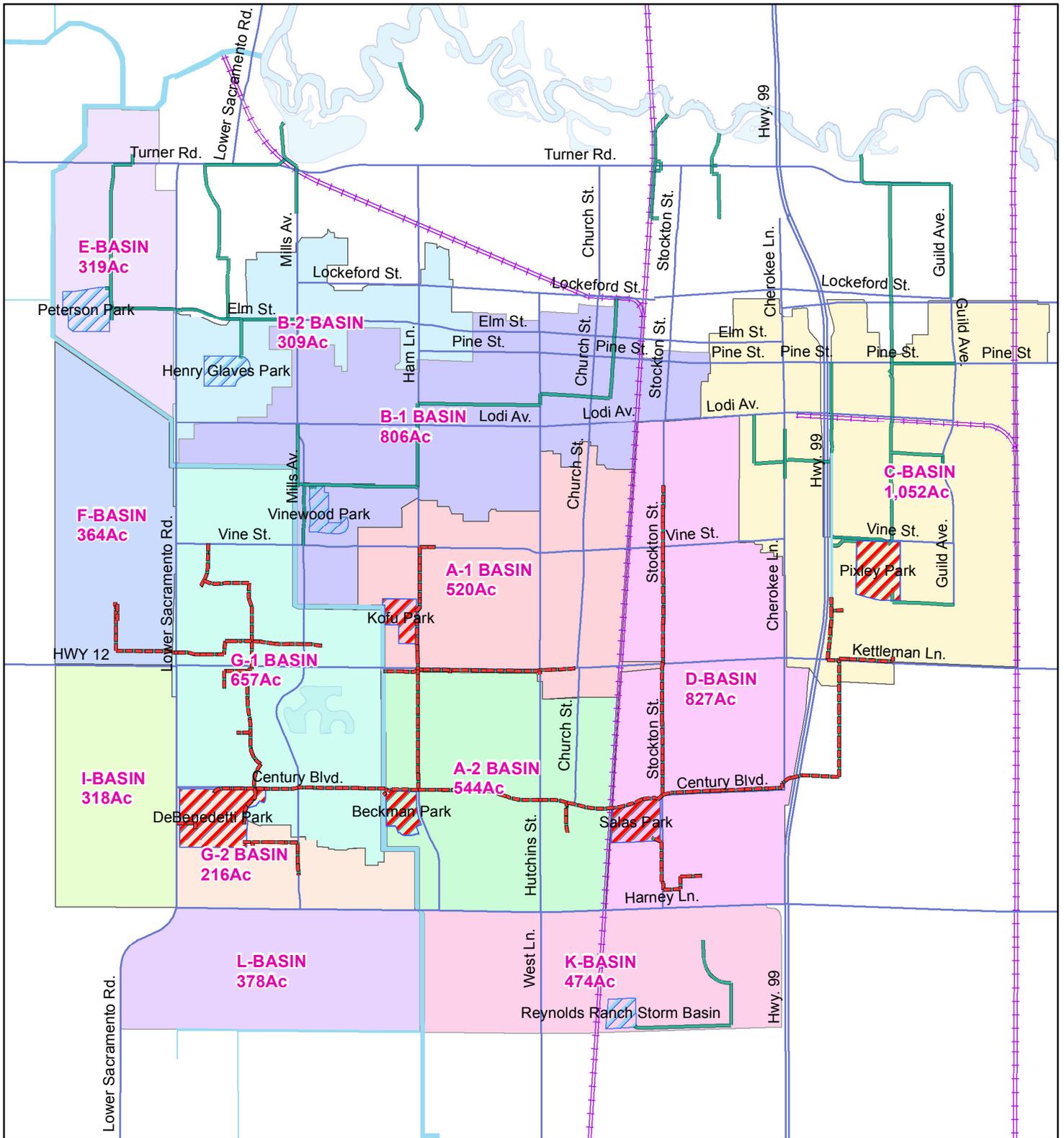
APPROVED: _____
Stephen Schwabauer, City Manager

FUNDING AVAILABLE: Wastewater Capital Fund (531) \$700,000

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer
FWS/LC/tb
Attachment
cc: City Engineer – Swimley
Utility Superintendent
Senior Civil Engineer
Andy Christensen, WID General Manager
Diede Construction Inc.



Legend

- Trunk Line Connecting to Beckman PS
- Basin Connected to Beckman
- Storm Drain Trunk Line
- Storm Water Basin

Watershed

- | | | | |
|-----|-----|-----|-----|
| A-1 | B-2 | E | G-2 |
| A-2 | C | F | I |
| B-1 | D | G-1 | K |
| | | L | |



**City of Lodi
Storm Water Watershed Map**

1 inch = 3,000 feet

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and DIEDE CONSTRUCTION, INC., herein referred to as the "Contractor."

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The July 1992 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the

general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

The work consists of installing a pre-fab storm water trash-handling unit at the Shady Acres storm water pump station site. The work will require proper shoring for the unit installation. The work also consists of installing a reinforced concrete channel and other incidental and related work, all as shown on the plans and specifications for the above project.

CONTRACT ITEMS

ITEM NO.	DESCRIPTION	UNIT	EST'D. QTY	UNIT PRICE	TOTAL PRICE
1.	Mobilization	LS		\$6,900.00	\$6,900.00
2.	Earthwork	LS		\$8,142.00	\$8,142.00
3.	Dewatering	LS		\$1,600.80	\$1,600.80
4.	Clearing & Grubbing	LS		\$4,236.60	\$4,236.60
5.	Excavation Safety	LS		\$10,543.20	\$10,543.20
6.	Steel Reinforcement	LS		\$10,627.38	\$10,627.38
7.	Structural Concrete	LS		\$46,366.62	\$46,366.62
8.	Furnish and Install CDS Unit	LS		\$161,584.20	\$161,584.20
9.	Misc. Metal	LS		\$39,579.78	\$39,579.78

10. Misc. Site Work	LS	\$13,089.30	\$13,089.30
		TOTAL BID	\$302,669.88

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute to completion within **80 WORKING DAYS**.

ARTICLE IX - State of California Senate Bill 854 requires the following:

- No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR: CITY OF LODI, a municipal corporation

By: _____
STEPHEN SCHWABAUER
City Manager

By: _____ Date: _____

Title Attest:

JENNIFER M. FERRAIOLO
City Clerk

(CORPORATE SEAL)

Approved As To Form:

JANICE D. MAGDICH
City Attorney 

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING
THE CONTRACT FOR THE SHADY ACRES PUMP STATION
TRASH HANDLING PROJECT AND FURTHER AUTHORIZING
THE CITY MANAGER TO EXECUTE THE CONTRACT

=====

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on June 18, 2015, at 11:00 a.m. for the Shady Acres Pump Station Trash Handling Project, described in the plans and specifications therefore approved by the City Council on May 6, 2015; and

WHEREAS, said bid has been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder	Bid
Diede Construction, Inc.	\$ 302,669.88
Frank Loduca Company	\$ 365,800.00
Bamer Construction	\$ 369,400.00

WHEREAS, staff recommends awarding the contract for the Shady Acres Pump Station Trash Handling Project to the low bidder, Diede Construction, Inc., of Woodbridge, in the amount of \$302,669.88.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the contract for the Shady Acres Pump Station Trash Handling Project to the low bidder, Diede Construction, Inc., of Woodbridge, California, in the amount of \$302,669.88; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the contract on behalf of the City of Lodi.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for 2015 GrapeLine Bus Stop Accessibility and Shelter Improvements

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for 2015 GrapeLine Bus Stop Accessibility and Shelter Improvements.

BACKGROUND INFORMATION: The project was awarded to Sierra National Construction, Inc., of Carmichael, on February 4, 2015, in the amount of \$282,692. The contract has been completed in substantial conformance with the plans and specifications approved by City Council.

This project consisted of removing accessibility barriers near eight GrapeLine bus stops and installing shelters at nine bus stop locations. Curb ramps were installed at 11 locations and alley approaches were reconstructed at two locations to meet ADA guidelines. Each new shelter included lighting, a bench, and a trash can.

The contract completion date was May 30, 2015, and the actual completion date was May 18, 2015. The final contract price was \$ 293,690. The difference between the contract amount and the final contract price is due to minor modifications to the project scope due to unforeseen underground conditions.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: There will be a slight increase in the long-term maintenance costs associated with these improvements, which will be absorbed in the Transit Operations budget.

FUNDING AVAILABLE: This project was funded by Federal Transit Administration (FTA) / Transportation Development Act (TDA) funds (60199000).

F. Wally Sandelin
Public Works Director

Prepared by: Sean Nathan, Associate Civil Engineer
FWS/SN/tb
cc: Transit Manager/Senior Traffic Engineer

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for Fire Station No. 3 Building Repairs
MEETING DATE: July 15, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Fire Station No. 3 Building Repairs.

BACKGROUND INFORMATION: The project was awarded to CNW Construction, of Rescue, on March 4, 2015, in the amount of \$49,000. The contract has been completed in substantial conformance with the plans and specifications approved by City Council.

This project provided the necessary external building repairs at Fire Station No. 3. The station was constructed in 1974. Over the years, maintenance improvements of various components of the building had been deferred and needed to be addressed by this project.

The maintenance improvements generally consisted of replacing the exterior wood tile siding, repairing a section of the soffit, replacing the wood paneling above and below the wood tile siding, repainting the exterior (except bricks), and replacing chain link fence slats to improve aesthetics, security, and safety. The project improvements will allow the City to continue using the facility without having a major failure relating to these deteriorated components.

The contract completion date was May 15, 2015, and the actual completion date was June 19, 2015. The final contract price was \$ 70,320. The difference between the contract and the final price and completion dates was due to the extensive dry rot that was found when removing the old wood tile siding. All of the plywood behind the siding needed to be fully removed and replaced, and multiple supports behind the plywood also needed to be removed and replaced.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: This project will extend the useful life of the building and reduce ongoing maintenance costs of the facility.

FUNDING AVAILABLE: This project was funded by General Fund Capital (43199000).

F. Wally Sandelin
Public Works Director

Prepared by: Sean Nathan, Associate Civil Engineer
FWS/SN/tb
cc: Transit Manager/Senior Traffic Engineer

APPROVED: _____
Stephen Schwabauer, City Manager



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Accepting Reynolds Ranch Phase 3A Public Improvements
MEETING DATE: July 15, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution accepting Reynolds Ranch Phase 3A public improvements.

BACKGROUND INFORMATION: The public improvements at Reynolds Ranch Phase 3A have been completed in substantial conformance with the requirements of the improvement agreement between the City of Lodi and Skinner Ranch Holdings, L.P., approved by the City Council on October 1, 2014.

Reynolds Ranch Phase 3A (Development) is the third commercial development in Reynolds Ranch. The Development is bound by Harney Lane, Reynolds Ranch Parkway, and Stockton Street and consists of 14 commercial parcels bisected by a new proposed public roadway called Rocky Lane.

The improvements consist of new sidewalk (south side of Harney Lane from Stockton Street to Reynolds Ranch Parkway), traffic signal improvements at the intersections of Rocky Lane and Reynolds Ranch Parkway, and full public improvements in Rocky Lane, including curb, gutter and sidewalk, water, wastewater and storm drain utilities, street lighting, and landscape and irrigation improvements. The Development is conditioned to construct the full cross section of Stockton Street between Harney Lane and the Development's southern boundary upon development of its eighth parcel.

The streets to be accepted are as follows:

Streets	Length in Miles
Harney Lane*	0.00
Reynolds Ranch Parkway*	0.00
Rocky Lane	0.13
Total New Miles of City Streets	0.13

* The street dedication for Harney Lane and Reynolds Ranch Parkway consists of landscape and irrigation improvements in an existing street right-of-way and did not add additional miles to the City's street system.

As conditioned in the original Environmental Impact Report, the Reynolds Ranch Development is obligated to construct intersection improvements at the Harney Lane and Stockton Street intersection and to underground the existing overhead PG&E utility poles that are located along Harney Lane at that location. If the intersection improvements are constructed with the Harney Lane Grade Separation Project prior to being constructed by the Development, the developer must reimburse the City for the cost of those improvements. The estimated cost of the intersection improvements that include the south leg of the traffic signal, ADA ramps, and pavement, curb,

APPROVED: _____
Stephen Schwabauer, City Manager

and gutter along Stockton Street for approximately 200 feet south of Harney Lane is \$225,000. The estimated cost to underground the existing utility poles is \$128,000.

The public improvements installed by this project will be maintained by the City. As a condition of acceptance, the developer is obligated to warranty all public improvements for a period of two years after the date of acceptance by City Council.

FISCAL IMPACT: There will be an increase in long term maintenance costs for public infrastructure and City services such as police and fire services.

FUNDING AVAILABLE: Not applicable

F. Wally Sandelin
Public Works Director

Prepared by Charles E. Swimley, Jr., City Engineer/Deputy Public Works Director

FWS/CES/tb

cc: City Attorney Magdich
City Engineer / Deputy Public Works Director Swimley
Senior Engineering Technician Wiman

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ACCEPTING REYNOLDS RANCH PHASE 3A PUBLIC
IMPROVEMENTS

=====

The City Council of the City of Lodi finds:

1. That the public improvements for Reynolds Ranch Phase 3A have been completed in substantial conformance with the requirements of the Improvement Agreement between the City of Lodi and Skinner Ranch Holdings, L.P., as approved by the City Council on October 1, 2014, as shown on Drawing No. D160, on file in the Public Works Department; and

2. The improvements consist of new sidewalk (south side of Harney Lane from Stockton Street to Reynolds Ranch Parkway); traffic signal improvements at the intersections of Rocky Lane and Reynolds Ranch Parkway; and full public improvements in Rocky Lane, including curb, gutter and sidewalk, water, wastewater and storm drain utilities, street lighting, and landscape and irrigation improvements; and

3. The streets to be accepted are as follows:

Streets	Length in Miles
Harney Lane*	0.00
Reynolds Ranch Parkway*	0.00
Rocky Lane	0.13
Total New Miles of City Streets	0.13

*The street dedication for Harney Lane and Reynolds Ranch Parkway consists of landscape and irrigation improvements in an existing street right-of-way and did not add additional miles to the City's street system.

4. As conditioned in the original Environmental Impact Report, the Reynolds Ranch Development is obligated to construct intersection improvements at the Harney Lane and Stockton Street intersection and to underground the existing overhead PG&E utility poles that are located along Harney Lane at that location. If the intersection improvements are constructed with the Harney Lane Grade Separation Project prior to being constructed by the Development, the developer must reimburse the City for the cost of those improvements. The estimated cost of the intersection improvements that include the south leg of the traffic signal, ADA ramps, and pavement, curb, and gutter along Stockton Street for approximately 200 feet south of Harney Lane is \$225,000. The estimated cost to underground the existing utility poles is \$128,000; and

5. The public improvements installed by this project will be maintained by the City of Lodi. As a condition of acceptance, the developer is obligated to warranty all public improvements for a period of two years after the date of acceptance by the City Council.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing Mayor to Execute San Joaquin County Regional Transportation Impact Fee Program Operating Agreement

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing the Mayor to execute the San Joaquin County Regional Transportation Impact Fee Program Operating Agreement.

BACKGROUND INFORMATION: Assembly Bill 1600 requires that agencies responsible for the development and administration of development impact mitigation fee programs perform regular 5-year reviews and updates. The first update of the Regional Transportation Impact Fee (RTIF) Program was completed in 2011. An amendment to the update was implemented in 2014. Changes to the fee program were implemented by approval actions of various San Joaquin Council of Governments (SJCOG) technical committees and board. SJCOG legal counsel recommends the changes be carried through to the Operating Agreement that was last executed in 2005.

A draft of the Operating Agreement was circulated for review in September 2014 but was never finalized pending additional technical analysis for a new RTIF economic incentive funding program. The additional technical work has now been completed. A full copy of the Operating Agreement is provided in Attachment 1 with administrative changes in yellow highlight and the changes relative to implementation of the Jobs Balancing Investment Fund in green highlight.

A summary of the changes is provided below.

1. Clarifies language for the RTIF annual fee adjustment to specify use of a simple three-year rolling average based on the California Construction Cost Index.
2. Clarifies the definition of the Warehouse and Industrial land use categories.
3. Clarifies language for the "per trip" calculation for trip generating land uses that do not conform to other land use categories as specified in the technical analysis.
4. Clarifies language related to consistency with the Regional Transportation Plan and the certified Environmental Impact Report.
5. Changes the timing of program fee payments from quarterly to semi-annually on February 28th and October 15th.
6. Changes reporting to SJCOG board from semi-annual to annual by October 15th.
7. Changes project selection criteria for economic incentive funding to include criteria for the new category of projects funded by the Jobs Balancing Investment Fund.

A member of the SJCOG staff will be available at the meeting to answer questions. The Operating Agreement is being taken to all member local jurisdictions for approval.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/tb
Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

**SAN JOAQUIN COUNTY
REGIONAL TRANSPORTATION IMPACT FEE PROGRAM
OPERATING AGREEMENT**

THIS REGIONAL TRANSPORTATION IMPACT FEE PROGRAM OPERATING AGREEMENT (“Agreement”) dated as of the Effective Date is made by and between the San Joaquin Council of Governments (“SJCOG”), and the following eight public agencies located within San Joaquin County (collectively the “Participating Agencies”), including, the County of San Joaquin (“County”), the City of Escalon (“Escalon”), the City of Manteca (“Manteca”), the City of Lathrop (“Lathrop”), the City of Lodi (“Lodi”) the City of Ripon (“Ripon”) the City of Stockton (“Stockton”), and the City of Tracy (“Tracy”) (the identified cities are hereinafter collectively the “Cities”).

RECITALS

WHEREAS, SJCOG has the responsibility as the region’s designated Metropolitan Planning Organization and through its powers as specified in its joint powers agreement to maintain and improve the Regional Transportation Network; and

WHEREAS, the Participating Agencies and SJCOG find that future development within the County of San Joaquin will result in traffic volumes in excess of capacity on a regional system of highways, interchanges, and local roadways; and,

WHEREAS, the Participating Agencies and SJCOG find that failure to expand the capacity of the existing circulation system will cause unacceptable levels of congestion on the Regional Transportation Network; and,

WHEREAS, the Participating Agencies and SJCOG find that existing and future sources of revenue are inadequate to fund substantial portions of the Regional Transportation Network improvements needed to avoid unacceptable levels of congestion and related adverse impacts; and,

WHEREAS, SJCOG, following extensive analysis and consultations with the Participating Agencies and other stakeholders, has prepared a Regional Transportation Impact Program Fee Technical Report (“RTIF Technical Report”) that establishes a nexus between new development and its impacts (increased travel demand, reductions in service levels, and the need for capital improvements) upon the Regional Transportation Network; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that the RTIF Technical Report has determined the extent to which new development of land will generate traffic volumes impacting the Regional Transportation Network and have determined that the Regional Transportation Impact Fee Program (“RTIF Program”) establishes a fair and equitable method to fund costs of transportation improvements necessary to accommodate the traffic volumes generated by future development of land within each City and the County; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that the RTIF Program is necessary to help mitigate the impact of new development on the Regional Transportation Network and along with other transportation funding mechanisms, in providing for the construction of improvements to accommodate traffic generated by land development; and,

WHEREAS, the Participating Agencies and SJCOG have determined that it is in their best interest to join together to administer the funds provided by the RTIF Program and to authorize SJCOG to manage the RTIF Program for the San Joaquin County region; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that in order to serve the purposes described herein, additional funding, other than that received from the RTIF Program is necessary and must be obtained and each party agrees to cooperate in obtaining additional funding; and,

WHEREAS, the Participating Agencies and SJCOG find and declare SJCOG prepared, adopted and certified in July 2004 a Final Program Environmental Impact Report (“EIR”) for the 2004 Regional Transportation Plan, State Clearing House number 2003082053. The RTIF Program, as adopted in 2005, relied on and was consistent with this previously prepared, approved and certified EIR.

WHEREAS, the Participating Agencies have adopted or will adopt a Regional Transportation Impact Program Fee (“RTIF Program Fee” or “RTIF Fee”) pursuant to their authority to protect the public health, safety, and welfare consistent with the provisions of California Government Code Section 66000 et seq.; and,

WHEREAS, the integrity and success of the RTIF Program is dependent upon all Participating Agencies and SJCOG working cooperatively with each other in order to fulfill their obligations faithfully and promptly; and,

WHEREAS, funds collected pursuant to the Participating Agencies’ ordinances and/or resolutions adopting the RTIF Program are to be held and expended by the Participating Agencies and SJCOG as specified herein.

AGREEMENT

Now, therefore, in consideration of the mutual promises and undertakings herein made and the mutual benefits to be derived therefrom, the parties hereto represent, covenant and agree as follows:

SECTION 1. PURPOSE

1.1. The RTIF Program requires management procedures that assure that the objective of the RTIF Program is achieved. Specifically, the RTIF Program objective is to obtain funding from development projects that have an impact upon the Regional Transportation Network and to integrate these funds with federal, State, and other local funding to fund transportation improvements identified in the RTIF Program. While the RTIF Program and the RTIF Program

Fee will be imposed and collected by the Participating Agencies, the RTIF Program will be managed by SJCOG for the benefit of the entire County region.

1.2. This Agreement defines the terms of the required management procedures for Participating Agencies and SJCOG including specifications regarding levy and collection, administration, project selection, fund management, appropriation of fee funds, and ongoing technical review and updating.

SECTION 2. DEFINITIONS

2.1. "Development Project" or "Project" means any project undertaken for the purpose of development including the issuance of a permit for construction or reconstruction, but not a permit to operate.

2.2. "Industrial Project" means any Development Project that proposes manufacturing, transportation or logistics as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference. Examples of the industrial land-use category are printing, material testing, assembly plants, manufacturing plants (where raw materials or parts are converted to finished products) and utilities.

2.3. "Measure K" means the San Joaquin County Transportation Authority Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance which establishes and implements a retail transactions and use tax, as may be extended from time to time.

2.4. "Multi-Family Residential Unit" means a Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.5. "Non-Conforming Land Use" is any Development Project not adequately represented by the six land use categories called out in this agreement. This is typically a non-retail, non-residential development project that has minimal or no building area and yet would generate impacts at a level that is significantly more than represented in the RTIF fee schedule. Examples of these are projects related to mining, intermodal facilities, agriculture, and outdoor recreation. For these projects a "per trip" calculation is included in the fee schedule.

2.6. "Office Project" means any Development Project that involves business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal and laundry services, or similar uses, and religious centers as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.7. "Warehousing Project" means any Development Project that is primarily devoted to the storage of materials. Examples of warehousing land-uses include self-storage facilities, distribution centers (used for storage of finished material prior to their distribution to retail centers or other storage facilities, data centers, agricultural storage, refrigerated/cold storage, and

wrecking yards. Other examples are contained in Exhibit "A" hereto and incorporated herein by reference.

2.8. "On-Going Third Party Costs" means costs to implement the program associated with outside professional services secured by SJCOG. Examples of third party professional services include, but are not limited to the following: a) Conducting RTIF program review every five years in accordance with California Government Code Section 66000 et seq.; b) Technical support (e.g., nexus analysis); c) Legal Fees; and, d) Annual fiscal audit.

2.9. "Participating Agencies" means the County of San Joaquin and each of the cities situated in San Joaquin County if such agencies have (1) adopted the RTIF Program Fee by ordinance and/or resolution and (2) entered into this Agreement.

2.10. "Regional Transportation Impact Fee Program" or "RTIF Program" is the regional program established by this Agreement by the Participating Agencies and SJCOG to impose, collect and distribute a RTIF Fee to assist in the funding of transportation improvements to the Regional Transportation Network.

2.11. "Regional Transportation Impact Program Fee" or "RTIF Program Fee" or "RTIF Fee" means the fee established by each Participating Agency consistent with this Agreement to implement the RTIF Program.

2.12. "Regional Transportation Network" means the regional network of highways and arterials as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG.

2.13. "RTIF Capital Projects" or "Capital Projects" or "RTIF Project List" is the RTIF Program improvements and projects as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG's adoption and amendment of a "RTIF Capital Projects Report."

2.14. "RTIF Capital Projects Report" means the report adopted by SJCOG annually which identifies the RTIF Capital Projects as amended from time to time consistent with Section 9 of this Agreement.

2.15. "RTIF Technical Report" means the San Joaquin County Regional Transportation Impact Fee RTIF Technical Report dated October 2005, and prepared pursuant to California Government Code, Section 66000 et seq., the Mitigation Fee Act.

2.16. "Residential Dwelling Unit" means a building or portion thereof which is designed primarily for residential occupancy by one family including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.

2.17. "Retail Project" means any Development Project that retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise at a fixed point of sale as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.18. "Single-Family Residential Unit" means the use of a parcel for only one residential dwelling unit as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

SECTION 3. FEE RATE

3.1. RTIF Program Fees and Annual Adjustment. The RTIF Program Fee shall be adjusted annually. Annual adjustments to the RTIF Program Fee shall be adjusted by each Participating Agency on an annual basis at the beginning of each fiscal year (July 1). The annual adjustment shall be calculated by SJCOG as the arithmetic average of the annualized percentage change of the Engineering News Record California Construction Cost Index (CCCI) for each of the three most recent years. For example, for the 14/15 fiscal year adjustment, the adjustment calculation would be:

<i>Year</i>	2014	2013	2012	2011
<i>CCCI Index (April)</i>	5956	5786	5740	5636
<i>Annual % Change</i>	2.94%	0.80%	1.85%	N/A

3-Year Average 1.86%

Changes to the annual adjustment methodology or index will be considered during each five-year RTIF review as specified in Section 8.1. However, changes to the annual adjustment methodology or index may be instituted as needed, with approval of the SJCOG Board of Directors, without necessitating a change in the Operating Agreement. Based on the annual adjustment methodology noted, the fee schedule for fiscal year 2014/2015 is as follows:

RESIDENTIAL		NON – RESIDENTIAL				
Single Family	Multi-Family	Retail	Office	Industrial	Warehouse	Non-Conforming
\$3,084.58	\$1,850.75	\$1.23	\$1.55	\$0.93	\$0.39	\$136.10
DUE	DUE	Square Foot	Square Foot	Square Foot	Square Foot	Per Trip

The RTIF fee collected is based on the predominant use of the project or addition. General definitions and examples for each land-use category are included in Section 2 and Exhibit "A" of

this Agreement. Within these parameters, application of the appropriate fee is determined by the local agency at the time of permit issuance.

SECTION 4. COLLECTION OF RTIF PROGRAM FEES

4.1. Payment of RTIF Program Fees. Payment of the RTIF Program Fees shall be as follows:

(a). The RTIF Program Fees shall be paid at the time of issuance of a building permit for the Development Project, or as otherwise required or permitted pursuant to Government Code section 66007.

(b). The amount of the RTIF Program Fees shall be the fee amounts in effect at the time of payment.

(c). RTIF Program Fees shall not be waived or subject to negotiation.

4.2. Payment by all Development Projects. Except as otherwise expressly provided by this Agreement, the RTIF Program Fee imposed by all Participating Agencies shall be payable by (1) all Development Projects within the jurisdiction of the Participating Agency for which building permits or other entitlements for Development Projects are issued on or after the effective date of the adoption of the RTIF Program Fee by the Participating Agency, and (2) all Development Projects within the Participating Agency for which building permits or other entitlements for Development Projects were issued prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency and which permits or entitlements were issued subject to a condition requiring the developer to pay a RTIF Program Fee to be imposed upon such Development Project within the jurisdiction of the Participating Agency.

4.3. Exemptions from the RTIF Program Fee. The following Development Projects shall not be subject to the RTIF Program Fee:

(a). The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing legal dwelling unit, including an expansion of an existing dwelling unit that does not create an additional dwelling unit.

(b). The rehabilitation and/or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.

(c). Development Projects for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete on or prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency.

(d). Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq. prior to the effective date of the initial adoption of the RTIF Program Fee by the Participating Agency (2005), wherein the imposition of new fees are expressly prohibited by the development agreement, provided, however, that if the term of such a development agreement is

extended after the effective date of the adoption of the RTIF Program Fee, the RTIF Program Fee shall be imposed.

4.4. Future Development Agreements. All future development agreements entered into by the Participating Agencies shall require the full payment of the RTIF Program Fee.

4.5. Payments for non-residential projects. For non-residential projects the amount of the fee imposed on the entire Development Project shall be determined based upon (1) the gross floor area and (2) the predominant use of the building or structure as identified in the building permit.

4.6. Payment for mixed use projects. For mixed land use projects, which are projects that have both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the following:

- (a) The fee associated with the type of residence; and,
- (b) The predominant use of the non-residential portion of the project.

4.7. Previously Paid RTIF Program Fees. In the event that RTIF Program Fees have previously been paid for an existing building which is a new Development Project with a new or different RTIF Fee category, the previously paid RTIF Program Fees for that existing building shall be credited against the amount of the RTIF Program Fee attributable to the new Development Project, up to the amount of the previously paid RTIF Program Fee. A rebate will not be granted if the change in land use represents a lower fee.

SECTION 5. DISTRIBUTION OF RTIF PROGRAM FEES

5.1. Purpose of RTIF Program Fees. Except as otherwise provided in this Agreement, all RTIF Program Fees received by each Participating Agency or SJCOG shall be used solely for the purpose of funding Regional Transportation Network projects as specified in the RTIF Technical Report and which are included within the RTIF Capital Projects Report. Each Participating Agency and SJCOG may spend RTIF Program Fees held by that entity on RTIF Capital Projects at the discretion of that entity.

5.2. Distribution of Fee Revenue. All fees collected by each Participating Agency pursuant to the RTIF Program Fee shall be distributed as follows:

- (a). Ten (10) percent of the amounts collected by the Cities shall be paid directly to the County on a semi-annual basis for the purpose of funding RTIF Capital Projects within the County of San Joaquin.
- (b). Ten (10) percent of the amounts collected by each Participating Agency shall be paid directly to SJCOG on a semi-annual basis for the purposes of funding state highway improvements on the RTIF Project List.

(c). Five (5) percent of the amounts collected by each Participating Agency shall be paid directly to SJCOG on a semi-annual basis for the purposes of funding transit improvements on the RTIF Project List.

(d). Semi-annual payments shall be received no later than February 28th and August 31st with a collection period of July 1st – December 31st and January 1st – June 30th., respectively. Each payment shall be accompanied by a report that shall specify the amount of RTIF Program Fee revenue collected and the corresponding fee generating activity, including such information as the types of permits issued by land-use category, developer credits and reimbursements granted, RTIF Program revenue applied to RTIF Capital Projects, and the amount of RTIF Program fees forwarded to the County and SJCOG as appropriate.

(e). Seventy Five (75) percent of the amounts collected by each city shall be retained by each city collecting such funds for the purposes of funding RTIF Capital Projects, and Eighty Five (85) percent of the amounts collected by the County shall be retained by the County for the purposes of funding RTIF Capital Projects. In the event a Participating Agency determines it does not want to retain or manage this portion of the RTIF Program Fees, the Participating Agency may provide this portion of the RTIF Program Fees to SJCOG for administration to assist with the construction of Capital Projects on behalf of the Participating Agency.

SECTION 6. ADMINISTRATIVE COSTS

6.1. Participating Agency Administrative Costs. The amount of RTIF Program Fee funds that are permitted to be used by each Participating Agency to cover ongoing administrative costs of implementing the RTIF Program shall be limited to up to two (2) percent of the first one million dollars (\$1,000,000) retained each year by each City pursuant to subdivision (e) of section 5.2 of this Agreement or received each year by the County pursuant to subdivisions (a) and (e) of section 5.2 of this Agreement. In addition, each Participating Agency may use up to one (1) percent of the amounts retained or received each year in excess of the initial one million dollars (\$1,000,000).

6.2. SJCOG Administrative Costs. The amount of RTIF Program Fee funds permitted to be used by SJCOG to cover ongoing administrative costs of implementing the RTIF Program shall be limited to up to two percent (2%) of the first one million dollars (\$1,000,000) received each year by SJCOG pursuant to subdivision (b) and (c) of section 5.2 of this agreement and up to one percent (1%) of the amounts received each year in excess of the initial one million dollars (\$1,000,000).

6.3. On-going Third Party Costs. On-going third party costs approved by the SJCOG Board of Directors to regionally implement the RTIF Program will be paid to SJCOG by each Participating Agency and SJCOG on an annual basis. The amount of on-going third party costs each Participating Agency and SJCOG shall pay is based on percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. These payments for the on-going third party costs shall not be considered

administrative costs and shall not be subject to the limitations provided in sections 6.1 and 6.2 of this Agreement.

6.4. Legal Challenges. In the event that any Participating Agency and/or SJCOG is subject to a legal challenge of the RTIF Program then all Participating Agencies and SJCOG will be responsible for the costs associated with such legal challenge. At the time of such legal challenge the Participating Agencies and SJCOG will coordinate the defense of such legal challenge and the costs incurred for such legal challenge will be the responsibility of the Participating Agencies and SJCOG based on percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. For the purposes of this section 6.4, a legal challenge of the RTIF Program is limited to a challenge to either (a) the legal ability to adopt or impose the RTIF Program; or (b) the validity of the RTIF Technical Report. This section 6.4. will not apply to any legal challenge due to the manner of implementation of the RTIF Program that is either unique to a Participating Agency or that is not consistent with the provisions of this Agreement.

SECTION 7. ADMINISTRATION OF THE RTIF PROGRAM

7.1. RTIF Account or RTIF Funds. All fees collected pursuant to the RTIF Program Fee by each Participating Agency shall be deposited in a RTIF account or RTIF fund and shall not be commingled with other funds of the Participating Agency. The contents of this RTIF fund shall be designated solely for the purpose of contributing to the financing of the RTIF Capital Projects included in the RTIF Capital Projects Report and for the funding of incidental administrative costs. Any interest income earned on the RTIF fund shall also be deposited therein and shall only be expended for the purposes as set forth in this Agreement.

7.2. Prohibition on Interfund Transfers or Loans. Notwithstanding subsection (b)(1)(G) of section 66006 of the Government Code there shall be no interfund transfer, grant or loan of the RTIF Program Fees or RTIF fund or RTIF account to other accounts, funds, programs or fees. However, a Participating Agency may provide loans, grants or transfers of RTIF Program Fees to other Participating Agencies or SJCOG provided that such funds are consistent with the RTIF Program and used for the development or construction of RTIF Capital Projects.

7.3. Annual Reports. By October 15th of each year, SJCOG shall prepare and deliver to the Executive Director of SJCOG an annual report consistent with the requirements of the Mitigation Fee Act (Gov. Code §§ 66000 et seq.). The annual report, which will be reviewed by the SJCOG Board of Directors, shall specify the amount of RTIF Program Fee revenue collected and the corresponding fee generating activity, including, such information as the types of permits issued by land use category, developer credits and reimbursements granted, RTIF Program revenue applied to RTIF Capital Projects, and the status of RTIF Program fees forwarded to the County and SJCOG by the Cities. For purposes of preparing the annual reports to satisfy the requirements of the Mitigation Fee Act, SJCOG and the County shall coordinate with and provide to each Participating Agency in a timely manner, and no later than August 31st of each year, all necessary information regarding the RTIF Program funds held by SJCOG and the County that were distributed to the County and SJCOG from the Participating Agencies pursuant to section 5.2 of this Agreement.

7.4. Annual Audit. The RTIF Program financial activity for each Participating Agency and SJCOG shall be reviewed annually by December 31st of each year by an independent certified public accountant selected and retained by SJCOG.

7.5. RTIF Program Administrator. SJCOG is the monitor of the RTIF Program and will monitor all fee revenue generated pursuant to the RTIF Program as reported semi-annually by all Participating Agencies.

SECTION 8. PERIODIC REVIEW OF RTIF PROGRAM FEES

8.1. Except as otherwise provided in Section 3.1 of this Agreement, the RTIF Program Fee shall not be adjusted during the first five years following the Effective Date of this Agreement. Thereafter, the RTIF Program Fee shall be evaluated, and adjusted accordingly, by all Participating Agencies and SJCOG every five (5) years to reflect the projected revenues generated or any other local or new funding sources, and to reflect changes in actual and estimated costs of the RTIF Capital Projects including, but not limited to, debt service, lease payments and construction costs. This evaluation shall include the report required by the Fee Mitigation Act (Gov. Code §§ 66000 et seq.) which includes, but is not limited to, all of the following information:

- (a). Identifies the purpose (project need) to which the fee is to be put;
- (b). Demonstrates a reasonable relationship between the fee and the purpose for which it is charged;
- (c). Identifies all sources and amounts of funding anticipated to complete financing in incomplete improvements;
- (d). Commits RTIF Program funds to RTIF Capital Project(s) and indicates that such funds are expended or reimbursed within the time periods established by the Fee Mitigation Act requirements; and,
- (e). Identifies the RTIF Capital Projects to be constructed, the estimated costs of the RTIF Capital Projects, the costs to be funded by the RTIF Program Fee revenue, and the availability or lack thereof of other funds with which to construct the Regional Transportation Network.

8.2. If the periodic reports prepared pursuant to section 8.1 above demonstrates a need, the Participating Agencies, in coordination with SJCOG, may consider modifying the RTIF Program Fee amount to insure that it is a fair and equitable method of distributing the costs of the improvements necessary to accommodate traffic volumes generated by future growth.

8.3. SJCOG and the County shall coordinate with each Participating Agency in the preparation of the periodic reports required by Section 8.1 of this Agreement and the Fee Mitigation Act, and provide any and all information and/or commitments necessary regarding RTIF Program fees distributed to SJCOG and the County from the Cities. In the event RTIF Program fees must be refunded pursuant to section 66001 of the Government Code, SJCOG and

the County will provide to each City for refund any proportional share of RTIF Funds that must be refunded that were distributed to SJCOG and/or the County by each City.

SECTION 9. SJCOG CAPITAL PROJECTS SELECTION.

9.1. RTIF Capital Projects Report. SJCOG will be responsible for establishing and maintaining the RTIF Project List. From time to time, at the request of a Participating Agency, and at least annually, SJCOG shall review the RTIF Capital Projects Report to add, modify, or remove RTIF Capital Projects. Each Participating Agency will have the opportunity to suggest changes to the Capital Projects within the RTIF Program at this time. SJCOG will make any and all changes to the Capital Projects Report annually taking into consideration the comments received from each Participating Agency consistent with the screening criteria contained within the RTIF Technical Report.

9.2. Project Inclusion Criteria. The technical basis of the RTIF Program is a list of road improvement projects identified as Capital Projects within the Regional Transportation Network which are eligible and appropriate for funding from the RTIF Program. The inclusion criteria used to select the RTIF Capital Projects are as set forth in the RTIF Technical Report. It is the application of these criteria that assure adherence to the required nexus principles. Modification to the inclusion criteria will require approval by resolution of all Participating Agencies and an update of the RTIF Technical Report.

9.3. Selection of New Capital Projects. Any new projects recommended for listing as a RTIF Capital Project must be modeled and screened consistent with the requirements of the Mitigation Fee Act (Gov. Code §§ 66000 et seq.) criteria for establishing a rational nexus. In addition, new projects added to the RTIF Project List must meet all of the following criteria:

9.3.1. Highway, Interchange, and Regional Roadway Improvements

- (a) The project is on the adopted Regional Transportation Network;
- (b) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report; and,
- (c) The project involves a capacity improvement of one or more through travel or passing lanes, or auxiliary lanes (i.e. turn lanes). This criterion shall not be applied to interchange improvement projects.

9.3.2. Public Transit Improvements

- (a) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report; and,
- (b) The project involves an improvement to an existing or a new service/facility which connects at least two (2) or more cities or regions.

9.4. Jobs Balancing Investment Fund Improvements. This category provides funding for transportation projects that support non-residential development projects considered a high

priority to meet economic development policy objectives. Funding for these projects shall come from the “regional” share component of RTIF funding overseen by SJCOG. The maximum funding for any single project is \$500,000; the annual program maximum is \$1,000,000. Funding limits may be revised by the SJCOG Board. Use of these funds shall be consistent with the adopted RTIF nexus study and compliant with the Mitigation Fee Act. These improvements must meet the following criteria:

9.4.1. If the improvement is an RTIF Capital Project and is scheduled for delivery within the time frame evaluated in the RTIF Technical Report, the project may be funded with RTIF revenues up to the fair share total costs identified for the project.

9.4.2. If the improvement is not an RTIF Capital Project, the project must meet one or more of the following:

- (a) The improvement is on the RTIF Network;
- (b) The improvement provides a benefit to or supports improvement to the RTIF Network as set-forth in the currently adopted RTIF Technical Analysis.
- (c) The RTIF Network is amended to include the improvement;
- (d) If the improvement does not meet the criteria for 9.3.1., 9.3.2., 9.4.1. or 9.4.2., the improvement shall be screened against the criteria set forth in the Jobs Balancing Investment Fund Interim Implementation Addendum to the 2011 RTIF Update or currently adopted RTIF Technical Analysis, and appropriate findings made to support the adopted RTIF nexus study.

In addition to meeting at least one of the criteria set forth in (a) – (d), the improvement must be reviewed and recommended for funding by the RTIF Project Selection Committee.

9.5. Inclusion in Regional Transportation Plan. Prior to receiving any RTIF Program Fee revenue a project must be identified in the SJCOG Board approved Regional Transportation Plan (RTP) and the RTIF Project List.

9.6. RTIF Project Management. Each City is responsible for managing and delivering RTIF interchange and regional roadway projects located within its incorporated boundaries, except as otherwise specifically agreed to by such city. The County is responsible for managing and delivering RTIF Projects located within the unincorporated area of the county, except as otherwise specifically agreed to by the County.

SECTION 10. CREDITS AND REIMBURSEMENTS

10.1. Reimbursements and Credits. In the event that RTIF Capital Projects are constructed by a developer in excess of the Development Project's RTIF Program Fee obligation or in lieu of payment of RTIF Program Fees by a developer pursuant to an agreement between the developer and the Participating Agency, the developer may be reimbursed or credited for future application for any costs based on the actual costs of construction of the RTIF Capital Project incurred by the developer in excess of the amount the RTIF Program Fees that apply to the Development Project. Reimbursements shall be enacted pursuant to an agreement between the developer and the Participating Agency contingent on payment of funds when available for reimbursement to the developer. In all cases, however, reimbursements to developers pursuant to any agreement must be consistent with construction of the transportation improvements as scheduled in the RTIF Capital Projects Report.

SECTION 11. EXISTING REGIONAL TRANSPORTATION FEES

11.1. Each Participating Agency shall evaluate and adjust, if necessary, its existing local fee program(s), if any, associated with regional traffic impacts to determine continued compliance with the Fee Mitigation Act due to the adoption of the RTIF Program.

SECTION 12. WITHDRAWAL

12.1. For reasons pertaining to the lack of direct benefit, a Participating Agency may elect to withdraw from the RTIF Program upon providing one year written notice to SJCOG and each Participating Agency. If the Participating Agency has accrued RTIF Program Fee revenue, all funds plus interest earned shall be expended on RTIF Capital Projects by the Participating Agency or by any Participating Agency or SJCOG.

SECTION 13. MISCELLANEOUS

13.1. Effective Date. This Agreement shall be effective and all Participating Agencies and SJCOG shall be authorized to proceed under this Operating Agreement at the date in which this Agreement has been executed by the San Joaquin County Board of Supervisors, the City Councils of each of the Cities, and SJCOG.

13.2. Partial Invalidity. If any one or more of the terms or provisions of this Agreement shall be adjudged invalid, unenforceable, void or voidable by a court of competent jurisdiction, each and all of the remaining terms and provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

13.3. Amendments. Any amendments to this Agreement shall be made by the SJCOG and all Participating Agencies.

13.4. Enforcement. It shall be the responsibility of the Participating Agencies and SJCOG to adopt, implement, and maintain the RTIF Program consistent with the terms of this Agreement.

13.5. Execution. The Board of Supervisors of the County of San Joaquin, the City Councils of the Cities, and the Board of Directors of SJCOG have each authorized execution of this Agreement as evidence by the authorized signatures below.

13.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

<u>PARTY</u>		<u>DATE OF APPROVAL</u>
Board of Supervisors, County of San Joaquin		
By		
Chair		Date
Attest:		
Clerk of the Board		
City Council, City of Escalon		
By		
Mayor		Date
Attest:		
City Clerk		

City Council, City of Stockton		
By		
Mayor		Date
Attest:		
City Clerk		
City Council, City of Tracy		
By		
Mayor		Date
Attest:		
City Clerk		
San Joaquin Council of Governments		
By		
Board Chair		Date
Attest:		
Interim Executive Director		

EXHIBIT A

RTIF LAND USE FEE CATEGORY SUMMARY

RESIDENTIAL

Single-Family Dwelling

A single family dwelling is defined as a residence designed for or occupied exclusively as a residence for one family; including a vacation home or seasonal dwelling and is located on one parcel.

Multi-Family Dwelling

Multi-family dwellings are defined as single structures designed for and/or constructed to contain two (2) or more dwelling units which share common walls (i.e., rowhouse, townhouse, duplex, triplex, quadraplex, condominium, apartment complex). When an existing single-family dwelling is converted into two (2) or more dwellings, it will be reclassified and subject to the multi-family dwelling regional fee. As a planned development containing two (2) or more residences, mobile homes parks are considered multi-family dwellings. A “commercial apartment” dwelling located within a commercial building is classified as a multi-family dwelling.

NON-RESIDENTIAL

Relationship of businesses to RTIF non-residential land use categories are based on the North American Industry Classification System (NAICS)

Retail

Sector comprises establishments engaged in retailing merchandise, generally without transformation and rendering services incidental to the sale of merchandise—fixed point of sale location. NAICS Sectors 44 & 45 represents the retail industry. Examples of retail businesses include:

- Garden material and garden supply dealers
- Food and beverage stores (i.e., grocery stores, specialty food stores, beer/wine/liquor stores)
- Health and personal care stores
- Gasoline stations
- Motor vehicle and parts dealers
- Furniture and home furnishing stores
- Electronics and appliance stores
- Clothing and clothing accessories stores

- Sporting goods, hobby, book and music stores
- General merchandise stores
- Miscellaneous store retailers
- Non-store retailers such as electronic shopping and mail-order houses, direct selling establishments

Office/Service

Sector comprises finance, insurance, real estate professional, scientific and technical services, research and development, administrative & support services, education, health care and social assistance and other such as repair & maintenance, personal & laundry, and religious centers, including churches. NAICS Sectors 51 – 72, 81 & 92 represents the office industry. Examples of office related businesses include:

- Publishing industries, except Internet
- Motion picture and sound recording industries
- Broadcasting, except Internet
- Internet publishing and broadcasting
- Telecommunications
- Internet Service Providers, search portals, and data processing
- Other information services such as libraries and archives, news syndicates
- Monetary authorities such as banks, credit unions, credit card issuing services, sales financing, mortgage and non-mortgage loan brokers
- Securities, commodity contracts, investments
- Insurance carriers and related activities
- Funds, trusts, and other financial vehicles
- Real estate
- Rental and leasing activities
- Lessors of non-financial intangible assets
- Professional and technical services such as legal, accounting, engineering, design, consulting, research and development, advertising services
- Management of companies and enterprises
- Administrative and support services such as employment, business support (i.e., call centers, collection agencies), travel arrangement and reservation services, services to buildings and dwellings (i.e., janitorial, landscaping, pest control, carpet cleaning)
- Waste management and remediation services
- Educational services
- Health care and social assistance
- Hospitals
- Nursing and residential care facilities
- Social assistance (i.e., child/youth services, services for the elderly and persons with disabilities, shelters, food banks, vocational rehabilitation services, day care)
- Art, entertainment, and recreation
- Museums, historical sites, zoos, and parks
- Amusements, gambling, and recreation

- Accommodation and food services (i.e., traveler accommodations such as hotels and motels, bed-and breakfast inns, RV parks, rooming and boarding houses)
- Food services and drinking places (i.e., caterers, mobile food services, drinking places of alcoholic beverages, and full service restaurants)

Warehouse

The warehouse land use category should be applied to projects that are primarily devoted to the storage of materials, but they may also contain ancillary industrial, office, or maintenance areas. When the associated industrial, office, or maintenance area is primary rather than ancillary, the industrial or office categories should be used. NAICS sector 493 represents the warehouse land-use category. Examples include:

- Self-storage facilities
- Distribution centers (used for storage of finished material prior to distribution to retail centers or other storage facilities)
- Data centers (primarily used for off-site storage of computer systems, components, and data systems)
- Agricultural storage
- Refrigerated/Cold storage
- Wrecking yards

Industrial

RTIF land use category of industrial may be properly applied to a wide range of uses containing a mix of manufacturing, industrial, and warehouse and includes establishments engaged in the mechanical, physical, or chemical transformation of components into products to include construction engaged in buildings and other structures. The industrial land use category also includes establishments engaged in wholesaling merchandise, generally without transformation and rendering services incidental to the sale of merchandise including industries providing transportation of passengers and cargo, and scenic and sightseeing transportation. The NAICS Sectors 21, 22, 23, 31 through 33, 42, 48 & 49 (with the exception of NAICS 493 – warehousing and storage) represents the industrial land use category. Examples of industrial related businesses include:

- Utilities (i.e., power generation and supply, natural gas distribution, water treatment plants)
- Construction of buildings
- Heavy and civil engineering construction
- Specialty trade contractors such as roofing, sheet rock, framing contractors
- Building and equipment contractors
- Building finishing contractors
- Other specialty trades such as residential and non-residential site preparations
- Food manufacturing (i.e., animal, flour, rice, breakfast cereal, dairy products, bakeries, nuts)

- Beverage and tobacco product manufacturing
- Textile and textile product mills
- Apparel manufacturing
- Leather and applied product manufacturing
- Wood product manufacturing
- Paper Manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Nonmetallic mineral product manufacturing (i.e., glass, cement & concrete, clay, lime/gypsum)
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer and electronic product manufacturing
- Electrical equipment and appliance manufacturing
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing (i.e., medical equipment, jewelry, sporting goods, signage)
- Merchant wholesalers of durable and non-durable goods (i.e., motor vehicles and parts, furniture, lumber, paper, clothing, petroleum bulk stations and terminals)
- Electronic markets and agents and brokers
- Air, rail, water, truck, pipeline, scenic/sightseeing transportation
- Transit and ground passenger transportation
- Support activities for transportation

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE MAYOR
TO EXECUTE THE SAN JOAQUIN COUNTY REGIONAL
TRANSPORTATION IMPACT FEE PROGRAM OPERATING AGREEMENT

WHEREAS, Assembly Bill 1600 requires that agencies responsible for the development and administration of development impact mitigation fee programs perform regular five-year reviews and updates; and

WHEREAS, the first update of the Regional Transportation Impact Fee (RTIF) Program was completed in 2011 and an amendment to the update was implemented in 2014; and

WHEREAS, San Joaquin Council of Governments (SJCOG) legal counsel recommends the changes be carried through to the Operating Agreement that was last executed in 2005; and

WHEREAS, a summary of the changes is provided below:

1. Clarifies language for the RTIF annual fee adjustment to specify use of a simple three-year rolling average based on the California Construction Cost Index.
2. Clarifies the definition of the Warehouse and Industrial land use categories.
3. Clarifies language for the “per trip” calculation for trip generating land uses that do not conform to other land use categories as specified in the technical analysis.
4. Clarifies language related to consistency with the Regional Transportation Plan and the certified Environmental Impact Report.
5. Changes the timing of program fee payments from quarterly to semi-annually on February 28th and October 15th.
6. Changes reporting to SJCOG board from semi-annual to annual by October 15th.
7. Changes project selection criteria for economic incentive funding to include criteria for the new category of projects funded by the Jobs Balancing Investment Fund.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Mayor to execute the San Joaquin County Regional Transportation Impact Fee Program Operating Agreement on behalf of the City of Lodi.

Dated: July 15, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Atlas Copco USA Holdings, Inc., for Monthly Preventative Maintenance and On-Call Repairs to Compressed Natural Gas Fueling Station and Authorizing Public Works Director to Execute a One-Year Extension (\$75,000)

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute professional services agreement with Atlas Copco USA Holdings, Inc., for monthly preventative maintenance and on-call repairs to compressed natural gas fueling station, in an amount not to exceed \$75,000.

BACKGROUND INFORMATION: Since 2002, the City has contracted with Atlas Copco USA Holdings, Inc., to perform monthly inspections and maintenance on the compressed natural gas (CNG) fueling station. The contract for the monthly inspections and maintenance includes labor and materials needed to perform the maintenance, such as compressor oil, filters, and dryer elements, etc. Also included in the contract is a provision for on-call repairs. The contract with Atlas Copco USA Holdings, Inc. is set to expire July 31, 2015.

The CNG fueling station is heavily used and is critical to operations of the City's transit vehicles and other CNG fleet vehicles. The agreement for monthly maintenance of the CNG fueling station ensures that the system is operating properly. The contractor performs monthly on-site inspections of the fueling station and performs routine maintenance that may be required at the time. Any major or emergency repairs will be charged at the quoted hourly rate, parts and materials cost plus mark-up.

Staff received written quotes from two CNG station maintenance companies with Atlas Copco USA Holdings, Inc. being the lowest quote. Quotes were based on the lowest monthly maintenance fee. Also included in the quote was an hourly rate and percent mark-up on parts materials for on-call repairs. Atlas Copco USA Holdings, Inc. offered a five percent discount on purchased parts and materials. Quotes received are shown below:

	Monthly Maintenance	Per Hour Rate	Overtime Per Hour Rate	Parts & Materials Markup
• Atlas Copco USA Holdings, Inc.	\$1,572	\$114	\$171	(5)%
• Clean Energy Fuels	\$2,475	\$105	\$160	30%

Staff recommends Council adopt a resolution authorizing the City Manager to execute a professional services agreement with Atlas Copco USA Holdings, Inc. for monthly preventative maintenance and on-

APPROVED: _____
Stephen Schwabauer, City Manager

call repairs to the compressed natural gas fueling station in an amount not to exceed \$50,000 over two years with an option authorizing the Public Works Director to extend for one additional year for \$25,000.

FISCAL IMPACT: Routine monthly maintenance will reduce long term repair costs.

FUNDING AVAILABLE: Funding for this is budgeted in Fleet Services Operating account (65055000)

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Rebecca Areida-Yadav, Management Analyst

FWS/RAY/tb

Attachments

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 2015, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and ATLAS COPCO USA HOLDINGS INC. (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for CNG Fueling Station Maintenance (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall

remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on July 1, 2015 and terminates upon the completion of the Scope of Services or on June 30, 2017, whichever occurs first.

Section 2.7 Option to Extend Term of Agreement

The City may exercise an option to extend this Agreement one (1) additional year, provided, City gives Contractor no less than 30-days written notice of its intent prior to the expiration of the existing term. In the event City exercises any option under this

paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

ARTICLE 3 COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Prevailing Wage

The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

Section 3.3 Contractor Registration – Labor Code §1725.5

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Section 3.4 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.5 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.6 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

**ARTICLE 4
MISCELLANEOUS PROVISIONS**

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful

misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Randy Laney

To CONTRACTOR: Atlas Copco USA Holdings Inc.
Attn: Mike Marcus
8114 Luna Drive
Rowlett, Texas 75088

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of

CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

ATLAS COPCO USA HOLDINGS INC.

By: _____

By: _____

Name: Mike Marcus
Title: Sales Manager

- Attachments:**
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 65055000.72499
(Business Unit & Account No.)



MEMORANDUM, City of Lodi, Public Works Department

To: Prospective Bidder
From: Fleet Services Supervisor
Date: June 11, 2015
Subject: Quote for Monthly Inspection and Preventative Maintenance Services of Compressed Natural Gas Station.

Please fill in the blanks below and include any additional costs in your quote **to obtain these 5 items below** as they will be required **once** the Successful Quote is awarded and before any work can begin:

Company Name: **Atlas Copco Compressors LLC** Date: **06/16/15**
 Address: **1800 Overview Drive, Rock Hill. SC 29730**
 Contact Phone No.: **469-371-3606**

Contractor's License No.: **N/A**
 Preventative Maintenance Monthly Fee: **\$ 1572.00 (Includes ALL annual parts)**
 Labor Rate: **\$ 114.00 – Contract Labor Rate** (must be prevailing wage)
 Overtime Rate: **\$ 171.00 – Contract Labor Rate**
 Parts and materials **LIST - 5%**
 Truck charge: **\$110.00 HR Travel & \$1.50 per mile**
 Call out minimum: **N/A (hours)**

Other: _____ (be specific)

1. **Insurance requirements per the attached exhibit.**
2. **Workers' compensation insurance coverage.**
3. **City of Lodi business license.**
4. **W-9 form per current IRS requirements.**
5. **Registration with the Department of Industrial Relations**
(per requirements of SB 854)

Not To Exceed \$50,000

Customer's Signature: _____

Print Name: MIKE MARCUS

Title: **Aftermarket Sales Manager CNG/NGV**

If you have any questions please contact:

Randy Laney
 1331 South Ham Lane
 Lodi, CA 95242
 (209) 333-6800 X2684
rlaney@lodi.gov

	A	B	C	D	E	F	G	H
1						Date:	6/16/2015	
2								
3		<i>Atlas Copco</i>						
4								
5								
6								
7		Atlas Copco Compressors, LLC						
8		1800 Overview Drive						
9		Rock Hill, SC 29730						
10								
11		Project: Monthly Inspection & PM Services of CNG Equipment					Estimator: Mike Marcus	
12		Service Co.: Atlas Copco Compressors LLC					Customer: City of Lodi	
13								
14								
15								
16	CSI	DESCRIPTION	UM	QTY	Labor	Material	SCHEDULED VALUE	
17	Maint. Contract	Perform monthly maintenance contract per RFP	EA	12	\$1,572.00		\$ 18,864.00	
18		Year 1 - August 1 2015 - July 31st 2016 : This amount is monthly billing					\$ -	
19		Parts					\$ -	
20	Maint. Contract	Perform monthly maintenance contract per RFP	EA	12	\$1,572.00		\$ 18,864.00	
21		Year 2 - August 1st 2016 - July 31st 2017 : This amount is monthly					\$ -	
22		Parts					\$ -	
23	Maint. Parts	Year 1 Maintenance parts to include the following:				\$4,308.00	\$ -	
24		Oil,Oil Filter,Suction Filter element,all interstage elements,					\$ -	
25		Discharge Filter elements,O-rings and all Dryer Filter elements					\$ -	
26		This is for reference only. Cost will be included with monthly					\$ -	
27		billing per above					\$ -	
28							\$ -	
29	Maint. Parts	Year 2 Maintenance parts to include the following:				\$4,308.00	\$ -	
30		Oil,Oil Filter,Suction Filter element,all interstage elements,					\$ -	
31		Discharge Filter elements,O-rings and all Dryer Filter elements					\$ -	
32		This is for reference only. Cost will be included with monthly					\$ -	
33		billing per above					\$ -	
34							\$ -	
35	Discount	Contract customers benefit with a 5% discount on all future					\$ -	
36		parts orders as well as a 5% discounted preferred labor					\$ -	
37		rate on any service performed outside of maintenance					\$ -	
38		for the duration of contract					\$ -	
39							\$ -	
40							\$ -	
41							\$ -	
42							\$ -	
43							\$ -	
44							\$ -	
45							\$ -	
46		Total			\$ -	\$ 8,616.00	\$ 37,728.00	

	A	B	C	D	E	F	G	H
1							Date:	6/16/2015
2								
3		Atlas Copco						
4								
5								
6								
7		Atlas Copco Compressors, LLC						
8		1800 Overview Drive						
9		Rock Hill, SC 29730						
10								
11		SCHEDULE OF VALUES						
12		Project: Monthly Inspection & PM Services of CNG Equipment					Estimator: Mike Marcus	
13		Service Co.: Atlas Copco Compressors LLC					Customer: City of Lodi	
14								
15								
16	CSI	DESCRIPTION	UM	QTY	Labor	Material	SCHEDULED VALUE	
17	Maint.Contract	Perform monthly maintenance contract per RFP	EA	12	\$1,651.00		\$ 19,812.00	
18		Year 3 - August 1 2017 - July 31st 2018 : This amount is monthly billing					\$ -	
19	Maint.Contract	Perform monthly maintenance contract per RFP	EA	12	\$1,734.00		\$ 20,808.00	
20		Year 4 - August 1st 2018 - July 31st 2019 : This amount is monthly					\$ -	
21		Parts					\$ -	
22							\$ -	
23	Maint. Parts	Year 1 Maintenace parts to include the following:				\$4,523.00	\$ -	
24		Oil,Oil Filter,Suction Filter element,all interstage elements,					\$ -	
25		Discharge Filter elements,O-rings and all Dryer Filter elements					\$ -	
26		This is for reference only. Cost will be included with monthly					\$ -	
27		billing per above					\$ -	
28							\$ -	
29	Maint. Parts	Year 2 Maintenace parts to include the following:				\$4,749.00	\$ -	
30		Oil,Oil Filter,Suction Filter element,all interstage elements,					\$ -	
31		Discharge Filter elements,O-rings and all Dryer Fllter elements					\$ -	
32		This is for reference only. Cost will be included with monthly					\$ -	
33		billing per above					\$ -	
34							\$ -	
35	Discount	Contract customers benefit with a 5% discount on all future					\$ -	
36		parts orders as well as a 5% discounted preferred labor					\$ -	
37		rate on any service performed outside of maintenance					\$ -	
38		for the duration of contract					\$ -	
39							\$ -	
40							\$ -	
41							\$ -	
42							\$ -	
43							\$ -	
44							\$ -	
45							\$ -	
46		Total			\$ -	\$ 9,272.00	\$ 40,620.00	



Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Contractor and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. **COMPREHENSIVE GENERAL LIABILITY**
 \$2,000,000 Each Occurrence
 \$4,000,000 Aggregate

2. **COMPREHENSIVE AUTOMOBILE LIABILITY**
 \$1,000,000 Bodily Injury - Each Person
 \$1,000,000 Bodily Injury - Ea. Occurrence
 \$1,000,000 Property Damage - Ea. Occurrence
 Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version of this form, or an equivalent form providing equivalent liability coverage.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Contractor; whichever is greater.

Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

- (a) **Additional Named Insured Endorsement**
 Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or equivalent form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds.

- (b) **Primary and Non-Contributory Insurance Endorsement**
 Additional insurance coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (c) **Completed Operations Endorsement**
 A certificate of insurance with a Completed Operations Endorsement, CG 20 37 07 04, will be provided to the City of Lodi during construction and for three years after acceptance.

- (d) **Limits of Coverage**
 The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Contractor shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.

Insurance Requirements for Contractor (continued)

- (e) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.
- (f) **Notice of Cancellation or Change in Coverage Endorsement**
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.
- (g) **Continuity of Coverage**
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance.
- (h) **Failure to Comply**
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding and other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (i) **Qualified Insurer(s)**
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance The Contractor shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. **A waiver of subrogation is required for workers compensation insurance.** This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A TWO-YEAR PROFESSIONAL SERVICES AGREEMENT FOR MONTHLY PREVENTATIVE MAINTENANCE AND ON-CALL REPAIRS TO THE COMPRESSED NATURAL GAS FUELING STATION AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE A ONE-YEAR EXTENSION

WHEREAS, staff received written quotes from two compressed natural gas maintenance companies, shown as follows:

	Monthly Maintenance	Per Hour Rate	Overtime Per Hour Rate	Parts & Materials Markup
Atlas Copco USA Holdings, Inc.	\$ 1,572	\$ 114	\$ 171	(5)%
Clean Energy Fuels	\$ 2,475	\$ 105	\$ 160	30%

WHEREAS, Atlas Copco USA Holdings, Inc., was the lowest quote received; and

WHEREAS, staff recommends awarding the agreement to Atlas Copco USA Holdings, Inc., in an amount not to exceed \$50,000; and

WHEREAS, staff further recommends authorizing the Public Works Director to execute a one-year extension to the contract, if in the best interest of the City to do so, and on the same terms and conditions set forth in the contract, at a cost not to exceed \$25,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the Professional Services Agreement with Atlas Copco USA Holdings, Inc., for Monthly Preventative Maintenance and On-Call Repairs to the Compressed Natural Gas Fueling Station, in an amount not to exceed \$50,000 over the two-year period; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes the Public Works Director to execute a one-year extension to the contract, if in the best interest of the City to do so, and on the same terms and conditions set forth in the contract, at a cost not to exceed \$25,000.

Dated: July 15, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Approving Renewal of Dental Claims Administration Agreement with Stanislaus Foundation for Medical Care; and Further Authorizing the City Manager to Execute Agreement

MEETING DATE: July 15, 2015

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution approving renewal of Dental Claims Administration Agreement with Stanislaus Foundation for Medical Care; and further authorizing the City Manager to execute agreement.

BACKGROUND INFORMATION: The City of Lodi uses Stanislaus Foundation for Medical Care in the administration of the Dental plan offered to the City's full-time employees. Stanislaus Foundation provides record maintenance in connection with the services to be performed and handles the processing of all claims submitted under this plan. Stanislaus Foundation is holding its fees flat for the amendment period of July 1, 2015 to December 31, 2017.

The term of this agreement shall begin on July 1, 2015 and continue in effect until December 31, 2017. This contract shall be automatically renewed for an additional one-year term unless notice of intent not to renew is given by one party to the other party at least 60 days prior to the termination date of the current term.

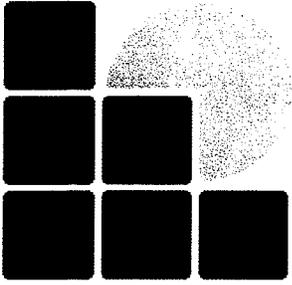
FISCAL IMPACT: Annual cost of approximately \$37,500.

FUNDING AVAILABLE: Included in Benefits Fund appropriations (65522000).

Adele Post, Human Resources Manager

Jordan Ayers, Deputy City Manager/Internal Services Director

APPROVED: _____
Stephen Schwabauer, City Manager



Dental Claims Administration Agreement

City of Lodi

SUBMITTED BY

Stanislaus Foundation for Medical Care

2339 St. Paul's Way, Modesto CA 95355

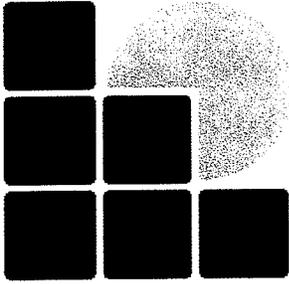
PO Box 576007, Modesto CA 95357-6007

1-800 / 962-SFMC (7362)

E-mail: fmc@stanislausmedicalsociety.com

(209) 527-1704

July 2015



ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ('AGREEMENT') is made as of 07/01/2015, by and between **CITY OF LODI ('PLAN')** and **STANISLAUS FOUNDATION FOR MEDICAL CARE ('SFMC')**.

1. Administrative Services

- A. PLAN hereby retains SFMC to perform, and SFMC hereby agrees to perform the administrative services specified hereto. SFMC shall perform its services in accordance with PLAN's dental benefit plan in effect, and such written policies and procedures of PLAN as PLAN may, from time to time, furnish to SFMC.
- B. The parties agree that the services to be performed by SFMC hereunder are ministerial in nature and shall always be performed within the framework of policies, interpretations, rules, practices, and procedures of SFMC. PLAN shall be solely responsible for the quality and cost of the advice and/or services furnished to PLAN by PLAN's legal counsel, actuaries, certified public accountants, investment counselors, investment analysts, medical professionals or groups, or similar individuals or organizations who may perform services relating to the plan on behalf of PLAN; and SFMC shall have no responsibility therefore under any circumstances.

2. Compensation

- A. PLAN shall pay SFMC each month for the services to be performed hereunder, a base fee as shown below for each participating single person or family covered by PLAN for any portion of the month in question.

TIME PERIOD

The term of this contract shall begin at 12:01 A.M. on 07/01/2015, and shall continue in effect until 12:00 midnight 06/30/2017 unless a sixty (60) day notice of termination has been given by one party to the other. In the event no termination notice has been given by either party, and a new agreement has not been negotiated, this contract shall automatically renew for an additional one year term.

FEES

After the term of this agreement, the fees may be evaluated for possible increase. SFMC shall have the further right to request to adjust the base fee upon:

1. Any change in the scope of work to be performed hereunder, as reasonably determined by SFMC; or
 2. A decrease of at least 20% in the number of participating employees at the time this agreement is implemented or renewed, or at the time of any subsequent price adjustment.
 3. Should postal rates increase, SFMC reserves the right to adjust the administration fee to meet our costs.
- B. SFMC shall provide PLAN with a monthly statement of the above fees by the fifth business day of each month, based on its best estimate of the number of participants. Said estimate shall be based on the most recent eligibility information provided by PLAN. Deletion of participants without payment of SFMC's fees, by reason of their prior termination, errors, etc. is permitted only before the end of the month. Additions, with the retroactive payment of fees, may occur at any time. Where the actual number of participants is different from the estimate; there shall be an appropriate fee adjustment in the subsequent month. SFMC is authorized to invoice PLAN for its fees and expenses, and those of brokers and insurance premiums as appropriate. PLAN shall make payment to SFMC by check or wire transfer. PLAN shall immediately notify SFMC of any change in these vendors or the amounts due them.

3. Term

- A. This AGREEMENT shall continue through June 30, 2017 unless either party has issued a sixty (60) day notice of termination. If no notice of termination is timely given, and a new AGREEMENT has not been negotiated, this AGREEMENT shall automatically renew for an additional one year term with the pricing adjustments contained in Exhibit C "Administration Fees".
- B. Upon termination of this AGREEMENT, other than as the result of PLAN's breach or default, SFMC shall co-operate fully with PLAN to assure an orderly transition of services to its successor. The foregoing shall not be deemed to prohibit SFMC from formatting the data to be returned in a fashion as is likely to protect SFMC's trade secret information regarding data base design and structure. PLAN agrees to compensate SFMC for the time spent in connection with all such transition services at SFMC's prevailing rates in effect at such time and for such other expense as SFMC incurs.
- C. SFMC shall have no responsibility for any claims received after the termination of the AGREEMENT, other than to forward any claim forms received to PLAN or its designated agent, at PLAN's cost. SFMC's responsibility for claims pending at the time their AGREEMENT is terminated shall cease 15 days following said termination; and, following payment in full of all amount owed SFMC by PLAN, SFMC shall promptly deliver the appropriate files to PLAN or its designated agent, at PLAN's expense.

4. Records and Files

- A. SFMC agrees that the records maintained by it in connection with the services to be performed hereunder are and shall remain the property of PLAN, and PLAN and its representatives shall have reasonable access thereto during SFMC's normal business hours, and after making mutually convenient arrangement. SFMC shall maintain hard copy records for two years from receipt and shall turn over older records to PLAN for storage at PLAN's expense. Upon termination of AGREEMENT and upon payment in full of all amounts owed SFMC by PLAN, SFMC shall return all data relating to employee claims and all other relevant files to PLAN, at PLAN's expense. PLAN agrees to maintain all records for the period required by law for insurance records. At the time of delivery, or thereafter at its option, SFMC shall be entitled, at PLAN's expense, to make paper copies of all records. PLAN agrees to give SFMC unrestricted access to original records in the event that such access is requested by SFMC for any legitimate purpose, including as a result of any litigation or similar proceeding. SFMC shall also be entitled to make all records available at any time to any governmental agency that legally requests them.

5. Hold Harmless

- A. In the event that suit is brought against PLAN or SFMC for torts, wrongful acts or omissions, or misrepresentations which stem solely from acts committed by employees of SFMC, in relation to this Agreement, SFMC agrees to hold PLAN harmless for said acts and to assume any and all legal expenses incurred defending said suit and to relieve PLAN of any and all financial obligations or awards as a result of said suit or the compromise and settlement thereof.
- B. In the event that suit is brought against SFMC or PLAN for torts, wrongful acts or omissions, or misrepresentations which stem solely from acts committed by employees of PLAN, in relation to this Agreement, PLAN agrees to hold SFMC harmless for said acts and to assume any and all legal expenses incurred defending said suit and to relieve SFMC of any and all financial obligations or awards as a result of said suit or the compromise and settlement thereof.

6. Responsibilities & Relationships

PLAN is:

- A. The Plan Administrator, for purposes of ERISA and the Internal Revenues Code of 1954, as amended, is solely responsible for all duties imposed on the Plan Administrator by these and other laws.
- B. Responsible for the final determination of all claims and the appeals process relating thereto and for following the procedures described in the Plan Document.
- C. Responsible for supplying adequate eligibility and other information on a timely basis to enable SFMC to effectively carry out its duties. SFMC shall be entitled to fully rely on the adequacy and accuracy of such data.

- D. Responsible for providing a Plan Document and a Summary Plan Description, which emit the requirements of ERISA. SFMC may be engaged to produce said documents as provided in the following description of Administrative Services.
- E. Responsible for adequately funding the PLAN and reconciling its bank account.

SFMC shall not:

- A. Under any circumstances be liable or reconcile for any policy decisions of the PLAN, the adequacy of funding, or any other functions, which are the responsibility of PLAN.
- B. Be construed to be, or required to take any action, which might make it appear to be, a Plan Trustee or Plan Administrator (as defined in ERISA). Its duties are agreed to be limited to purely ministerial functions and shall include no other.

7. Notice

Any notice to be given this AGREEMENT shall be in writing, and if given by mail, shall be sent by certified or registered mail, return receipt requested. All notices shall be deemed to have been given when personally delivered or three days after deposit in the U.S. mails. The following addresses shall be used, subject to written notification of change, for billings, correspondence, and notices:

PLAN: City of Lodi
PO Box 3006
Lodi CA 95241

SFMC: Joanne A. Chipponeri
Executive Director
Stanislaus Foundation for Medical Care
PO Box 576007
Modesto CA 95357-6007

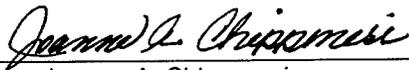
8. Standard Provisions

The Standard Provisions attached hereto are hereby incorporated into this AGREEMENT.

IN WITNESS WHEREOF, the undersigned have executed this AGREEMENT as of the date herein above stated.

**STANISLAUS FOUNDATION FOR
MEDICAL CARE**

CITY OF LODI



By: _____

Joanne A. Chipponeri

Title: Executive Director

Title: _____

Date: 06/01/2015

Date: _____

EXHIBIT "A"

CLAIMS ADMINISTRATION

Administrative Services

The FOUNDATION shall process claims presented under the plan established by PAYOR for its designated beneficiaries. The specific tasks to be performed by the FOUNDATION include, but are not limited to, the following:

- Receive claim documents from the PLAN participants and verify their eligibility for benefits upon information provided by PLAN.
- Correspond with claimants regarding any additional information needed to process a claim.
- Review all claims thoroughly to determine that all charges are necessary, usual, reasonable and customary.
- Receive and enter all claims based on the information presented for payment. Claims, (90%) which are complete, shall be entered into SFMC's computer within 1-18 calendar days following receipt. If additional information is necessary, SFMC shall request the information promptly.
- Prepare payments to either the provider or claimant as directed by the claim form.
- Invoice PLAN from check registers of processed claims. Plan to pay SFMC by check or wire transfer. Checks will be mailed to providers or employees once funding is received.
- Notify claimants, in writing, of the reasons for denial of any claim.
- Answer all telephone and mail inquiries from participants as to benefits provided.
- Provide information to providers of care as to eligibility of participants based upon information provided by PLAN.
- Establish and maintain files on all claimants showing all claims, whether paid or denied.
- Provide PLAN with such additional data and reports regarding PLAN utilization as may be mutually agreed between PLAN and SFMC from time to time.
- Cooperate fully with PLAN and its representatives including, but not limited to, legal counsel, actuaries, accountants and brokers.
- If requested by PLAN, SFMC shall arrange for the printing of specialized forms such as claim forms, checks, plan booklets, explanations of benefits, stationery, and ID cards needed to administer the PLAN. Such printing and SFMC's time, at its then prevailing hourly rates, shall be at PLAN's expense.

EXHIBIT "B"

STANDARD PROVISIONS

1. Except in the case of SFMC's willful misconduct or gross negligence, SFMC's liability under this AGREEMENT shall be limited to performance of the tasks stated and/or correcting its errors. SFMC shall not, under any circumstances, be liable for consequential or special damages, or for delays or other problems caused by strikes, lockout, riots, war, fire, acts of God, governmental regulations, or any other cause beyond its reasonable control.
2. SFMC and PLAN each agree not to offer employment to, during the term of this AGREEMENT (including extensions), and for 180 days thereafter, any employee of the other without obtaining the employer's prior written consent. Since the damages incurred by an employer from the loss of a trained employee are very difficult to assess or determine, the parties agree to pay liquidated damages for breach of this provision equal to the higher of the new or old annual salary of the person hired without consent.
3. Any controversy which the parties do not resolve between themselves, or any disputed claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration to be held in San Francisco, California, in accordance with the rules of the American Arbitration Association ('AAA'). Should either party make a written request for arbitration, the parties may agree on an arbitrator and submit the case to him. If a single arbitrator is not agreed to, each side shall appoint an AAA approved arbitrator within 10 days and the two arbitrators shall select a third. The decision of the arbitration panel shall be final, and judgment upon the award rendered may be entered into any court having jurisdiction. Attorneys' fee and all costs of arbitration shall be borne by the non-prevailing party or in such other fashion as the arbitrators may decide. If court proceedings are necessary to collect an arbitration award, the prevailing party may also recover the costs thereof together with attorneys' fees.
4. This is a California contract, and shall be interpreted according to the laws of the State of California.
5. This document is the sole agreement between the parties on this subject, and it may only be amended in writing by properly authorized representatives of both parties. No representation or statement not expressly contained in the AGREEMENT shall be binding on SFMC as a warranty or otherwise.
6. PLAN agrees to pay all of SFMC's invoices by the tenth day of the month in which they are dated. A service charge of 1.5% per month, but not more than the maximum permitted by law, shall be added to any invoice that is not paid in full within 30 days. If an invoice remains unpaid after 90 days, this AGREEMENT shall be conclusively deemed to have been breached by PLAN, and all sums due or projected to be due under the contract until its next expiration date shall be immediately due and payable. Such sum shall then bear interest at the rate stated above. PLAN agrees to reimburse SFMC for all legal and other costs incurred by SFMC in collecting sums due hereunder. SFMC may cease all work for PLAN if an invoice is unpaid after 60 days and shall not be required to resume work until all invoices are current. If SFMC is owed any sums under this AGREEMENT, it shall not be required to deliver any records of PLAN to PLAN, notwithstanding any provisions to the contrary elsewhere in this AGREEMENT.

7. PLAN recognizes that in the course of performing its duties under this AGREEMENT SFMC will necessarily reveal to PLAN, and certain of its employees, valuable trade secrets of SFMC including, but not limited to, the design and other features of SFMC's data processing system. PLAN agrees to keep all such information strictly secret, and to alert all its employees to the value of this proprietary information and the need to keep it secret. PLAN further agrees to use all such measures as are reasonable necessary to protect these trade secrets.
8. PLAN recognizes that all printed and visually displayed materials provided to it by SFMC are copyrighted by SFMC whether or not they are so marked. Accordingly, such reports, manuals, screen formats, and other similar materials may not be duplicated by PLAN or any other party. Further, such items are provided to PLAN for its sole use and may not, under any circumstances, be provided or distributed to any other party.
9. This contract is binding upon and shall incur to the benefit of the legal successors and assigns of the party.

ADMINISTRATION FEES

**CITY OF LODI
07/01/2015 TO 06/30/2017
Exhibit "C"**

SERVICE		FEES
Claims Administration		
Medical	\$	
Vision	\$	
Dental	\$	3.65 Per employee per month
Broker	\$	
Panel Access Fee	\$	1.20 Per employee per month
 One-Time Set Up Fee		
Medical	\$	
Vision	\$	
Dental	\$	2.25 Per new enrollee
 Initial Benefit Plan	\$	Included
Additional Benefit Plans @ \$25 each per month	\$	Per month
Custom Programming – PLAN expense	\$	To be determined
 Client Reporting:		
Standard Reports – Monthly Eligibility & Statistics	\$	Included
Custom Reports	\$	Fee negotiable
 Plan Document/Brochure	\$	Not included
 Identification Cards	\$	Included

**STANISLAUS FOUNDATION FOR
MEDICAL CARE**

CITY OF LODI



 Joanne A. Chipponeri

By: _____
 Title: Executive Director
 Title: _____
 Date: 06/01/2015
 Date: _____

Approved as to form

Deputy City Attorney



RESOLUTION NO. 2015-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
RENEWAL OF THE DENTAL CLAIMS ADMINISTRATION
AGREEMENT WITH STANISLAUS FOUNDATION FOR
MEDICAL CARE AND FURTHER AUTHORIZING THE
CITY MANAGER TO EXECUTE THE AGREEMENT

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to renew and execute the Dental Claims Administration Agreement with Stanislaus Foundation for Medical Care at a cost not to exceed \$37,500; and

BE IT FURTHER RESOLVED that this agreement shall be effective July 1, 2015 through December 31, 2017.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute Pacific Gas and Electric Company Interconnection Agreement

MEETING DATE: July 15, 2015

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute the Pacific Gas and Electric Company Interconnection Agreement.

BACKGROUND INFORMATION: The Northern California Power Agency (NCPA), Pacific Gas and Electric (PG&E), and the balance of NCPA Member Customers (including the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and Plumas Sierra Rural Electric Cooperative) are parties to Service Agreement No. 17 under the PG&E Federal Energy Regulatory Commission (FERC) Electric Tariff Volume No. 5 (Interconnection Agreement), attached as Exhibit A. The Interconnection Agreement contains the terms and conditions under which the parties coordinate operations of the electrical interconnections between their respective electric systems. The Interconnection Agreement became effective on September 1, 2002, and is set to expire on October 31, 2015. The Interconnection Agreement contains the terms and conditions under which each of the NCPA Member Customer Points of Interconnection will be operated in coordination with PG&E including, but not limited to:

- Requirements for modifying Points of Interconnection
- Operational and planning requirements
- Obligations of the parties resulting from significant regulatory and operational changes
- Installation and access requirements
- Metering and metering equipment standards
- Administrative and billing procedures

The Interconnection Agreement also contains several appendices identifying specific procedures associated with dispute resolution and arbitration, requirements for installation of upgraded facilities, billing and payment instructions, and operational coordination requirements – including Underfrequency Load Shedding (UFLS) obligations. The purpose of UFLS is to balance generation and load when an event causes a drop in frequency of an interconnection.

In February 2014, Lodi Electric Utility (LEU) received notice from the North American Electric Reliability Corporation (NERC) regarding LEU's deactivation of its registration as a Distribution Provider (DP) / Load Serving Entity (LSE) resulting in the elimination of mandatory compliance with NERC reliability standards. As such, in October 2014, the City Council approved the suspension of the applicable sections of LEU's Risk Management and Compliance Program (RMCP). While mandatory compliance provisions were eliminated, LEU still continued to follow said provisions as a good utility operating practice. The UFLS obligations in the Interconnection Agreement will result in LEU's re-activation of its registration as a

APPROVED: _____
Stephen Schwabauer, City Manager

DP/LSE and mandatory compliance with NERC reliability standards. LEU will return to City Council at a future date to again activate the applicable sections of the LEU RMCP.

While all of the Points of Interconnection covered under the Interconnection Agreement are owned and operated by the NCPA Member Customers, NCPA is a signatory to the Interconnection Agreement due to its role as the NCPA Member Customers' portfolio manager. NCPA shall provide support services to the NCPA Member Customers, including, but not limited to, assisting NCPA Member Customers in performing impact studies and resolving disputes with PG&E.

The Interconnection Agreement will become effective on November 1, 2015, and will have a term of 10 years. NCPA, PG&E, and each NCPA Member Customer will be a signatory to the Interconnection Agreement.

On June 24, 2015, the Risk Oversight Committee received a report on this agenda item and recommended City Council approval.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Melissa Price-Cadek, Rates & Resources Manager

EAK/MPC/lst

Interconnection Agreement
Between
Pacific Gas and Electric Company
and
Northern California Power Agency
and
City of Alameda,
City of Biggs,
City of Gridley,
City of Healdsburg,
City of Lodi,
City of Lompoc,
City of Palo Alto,
City of Ukiah,
and
Plumas-Sierra Rural Electric Cooperative

Service Agreement No. _____ under
PG&E FERC Electric Tariff Volume No. 5

Table of Contents

1 PREAMBLE	6
2 RECITALS	6
3 AGREEMENT	8
4 DEFINITIONS.....	8
4.1 Use of Terms.....	8
4.1.1 Adverse Impact	9
4.1.2 Agreement.....	9
4.1.3 Applicable Requirements.....	9
4.1.4 Balancing Authority Area Arrangements	10
4.1.5 Control Center.....	10
4.1.6 Cost	10
4.1.7 CPUC	10
4.1.8 Direct Assignment Facilities.....	10
4.1.9 Effective Date	11
4.1.10 Electric System	11
4.1.11 Engineering and Operating (E & O) Committee	11
4.1.12 Existing Contracts.....	11
4.1.13 Facility Study	11
4.1.14 Interconnection Capacity	12
4.1.15 Interconnection Facilities.....	12
4.1.16 Long-Term Change to Operations	12
4.1.17 Modification.....	13
4.1.18 New Facility Addition.....	14
4.1.19 PG&E Transmission Owner Tariff (PG&E TO Tariff).....	14
4.1.20 PG&E Wholesale Distribution Tariff (PG&E WD Tariff).....	14
4.1.21 Point(s) Of Interconnection.....	14
4.1.22 Operating Agreement.....	14
4.1.23 Remote Telemetry Unit (RTU).....	14
4.1.24 Responsible Meter Party	15
4.1.25 Service Area.....	15
4.1.26 System Impact Study	15
4.1.27 System Reinforcements	15
4.1.28 Third Party	15
4.1.29 Transfer Capability	16
4.1.30 Transmission Arrangement.....	16
4.1.31 Transmission Operations Center.....	16
4.1.32 Transmission Facilities Agreement.....	16
4.1.33 Uncontrollable Force	16
4.1.34 Upgrade Facility.....	16
5 SCOPE	17
5.1 Interconnected Operations	17
5.2 Effective Date	17

5.3 Termination.....	18
6 INTERCONNECTIONS.....	18
6.1 Interconnection Capacity	18
6.2 Establishing or Modifying Point(s) of Interconnection	19
6.3 New Interconnection Facilities and Upgrades	19
6.4 Construction Plan and Agreement	20
6.5 Test Period for Interconnection	20
7 BALANCING AUTHORITY AREA ARRANGEMENTS.....	20
8 SYSTEM PLANNING COORDINATION.....	21
8.1 Planning Process	22
8.2 System Reinforcements	22
9 OPERATING PROVISIONS	23
9.1 Good Utility Practice and Applicable Requirements Obligation.....	23
9.2 General.....	23
9.3 Power Delivery and Quality Standard	23
9.4 Coordination Of Operations.....	23
9.5 Relationship To Balancing Authority Area Operations.....	24
9.6 Separate Balancing Authority Area	24
9.7 Reporting Significant Events	24
9.8 Engineering And Operating Committee	25
9.8.1 E&O Committee Meetings	26
9.8.2 E&O Committee Expenses	26
9.8.3 E&O Committee Authority.....	27
9.9 Settlement of Disputes and Arbitration.....	27
9.10 Protective Devices	27
9.11 Requirements for NCPA or NCPA Member Customer Operated Generators Connected to PG&E.....	27
9.12 Continuity Of Service	28
9.12.1 Operation Actions To Maintain Continuity	28
9.12.2 Unscheduled Interruptions	28
9.12.3 Scheduled Interruptions	29
9.12.4 Interruption By Protective Devices.....	29
9.12.5 Jeopardy	29
9.13 Operating Records	30
9.14 Confidentiality	30
10 SIGNIFICANT REGULATORY OR OPERATIONAL CHANGE.....	32
10.1 Significant Regulatory Change	32
10.2 Significant Operational Change.....	32
10.3 Change in Functions or Scope	33
10.4 Notification of Significant Regulatory or Operational Change	33
10.5 Amendment of Agreement.....	34
10.6 Studies of Significant Operational Change.....	34
10.7 Mitigation And Costs.....	35
10.8 Failure To Notify Of Significant Operational Changes.....	36
11 INSTALLATION AND ACCESS.....	37
12 METERING.....	37

12.1 Delivery Meters	37
12.2 Requirements For Meters And Meter Maintenance.....	38
12.3 The NCPA Parties’ Obligation To Provide Meter Data To PG&E	38
12.4 Consequences of Failing to Provide Meter Data	38
12.5 Periodic Meter Testing.....	39
13 BILLING AND PAYMENT.....	39
14 ACCOUNTING	40
14.1 Accounting Procedures	40
14.2 Audit Rights	40
15 ADVERSE DETERMINATION OR EXPANSION OF OBLIGATIONS.....	40
15.1 Adverse Determination	40
15.2 Expansion Of Obligations.....	41
15.3 Renegotiation	41
16 ASSIGNMENT	41
16.1 Consent Required.....	41
16.2 Assignee's Continuing Obligation	42
17 CAPTIONS	42
18 CONSTRUCTION OF THE AGREEMENT	42
19 CONTROL AND OWNERSHIP OF FACILITIES	42
20 COOPERATION AND RIGHT OF ACCESS AND INSPECTION	43
21 DEFAULT	43
21.1 Termination For Default	43
21.2 Other Remedies For Default	44
22 DISPUTE RESOLUTION	44
23 GOVERNING LAW.....	44
24 INDEMNITY	44
24.1 Definitions.....	44
24.1.1 Accidents.....	44
24.2 Indemnity Duty	45
25 JUDGMENTS AND DETERMINATIONS.....	46
26 LIABILITY	46
26.1 To Third Parties	46
26.2 No Consequential, Special or Indirect Damages from Breach	46
26.3 Protection Of A Party’s Own Facilities	46
26.4 Liability For Interruptions.....	47
27 NO DEDICATION OF FACILITIES.....	47
28 NO OBLIGATION TO OFFER SAME SERVICE TO OTHERS.....	47
29 NO PRECEDENT.....	47
30 NO OTHER SERVICES PROVIDED	48
30.1 Limitation on Parties Obligation.....	48
30.2 Transmission Arrangements	48
31 NOTICES.....	49
31.1 Written Notices	49
31.2 Changes Of Notice Recipient.....	52
31.3 Routine Notices.....	52
31.4 Reliance On Notice	53

32 RESERVATION OF RIGHTS	53
33 RESPONSIBILITY FOR PAYMENTS AND SECURITY	53
34 RULES AND REGULATIONS	54
35 SEVERABILITY	54
36 CONTINUING RIGHTS OF THE NCPA PARTIES UPON TERMINATION.....	54
37 RIGHTS OF PG&E UPON TERMINATION.....	55
38 WAIVER OF RIGHTS	55
39 UNCONTROLLABLE FORCES	55
40 ENTIRE AGREEMENT AND AMENDMENTS.....	55
41 NO THIRD PARTY RIGHTS OR OBLIGATION.....	56
42 WARRANTY OF AUTHORITY	56
43 COUNTERPARTS	56
44 APPENDICES INCLUDED	57
45 EXECUTION.....	58
APPENDIX A POINTS OF INTERCONNECTION	61
APPENDIX B DISPUTE RESOLUTION AND ARBITRATION.....	72
APPENDIX C UPGRADE FACILITIES.....	75
APPENDIX D BILLING AND PAYMENT.....	77
APPENDIX E OPERATIONAL CCORDINATION.....	80

NORTHERN CALIFORNIA POWER AGENCY INTERCONNECTION AGREEMENT

1 PREAMBLE

This Interconnection Agreement (Agreement) is made this ___ day of _____, 20__ by and between Pacific Gas and Electric Company (PG&E), a corporation organized and existing under the laws of the State of California, and the Northern California Power Agency (NCPA), a joint powers agency of the State of California, and the California Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and the Plumas-Sierra Rural Electric Cooperative, Inc., (hereinafter referred to collectively as “NCPA Member Customers”), any or all of which are hereinafter referred to individually as a “Party” and collectively as “the Parties.” NCPA and the NCPA Member Customers are hereinafter referred to collectively as “the NCPA Parties.”

2 RECITALS

2.1 Whereas, it is the policy of the Federal Energy Regulatory Commission (FERC) that open and non-discriminatory access to transmission be provided through transmission systems comprising as large an area as possible under the supervision and direction of an independent system operator or a regional transmission organization; and

2.2 Whereas, PG&E is registered with the North American Electric Reliability Corporation (NERC) as a Transmission Owner (TO), and as a Transmission Operator (TOP) in accordance with the NERC compliance registry process; and

2.3 Whereas, PG&E is a public utility providing both wholesale and retail electric power and energy sales and transmission and distribution services in northern and central California and owns an extensive electric transmission system within that area; and

2.4 Whereas, PG&E transferred operational control of its transmission system to the California Independent System Operator Corporation (CAISO), and is now a Participating Transmission Owner and a party to the CAISO’s Transmission Control Agreement, under which PG&E is subject to the direction of the CAISO in the operation of its transmission system and under which the CAISO becomes the provider of transmission service over PG&E’s transmission system, pursuant to the terms of the CAISO Tariff, the PG&E TO Tariff, Transmission Control

Agreement, Scheduling Coordinator Agreement, and Utility Distribution Company Operating Agreement, all of which enable PG&E to satisfy the obligations of operating within the CAISO's Balancing Authority Area; and

2.5 Whereas, NCPA is a public agency engaged in the generation and transmission of electric power and energy and was created by a joint powers agreement first dated July 19, 1968, and as amended and restated January 1, 2008, entered pursuant to Chapter 5, Division 7, Title 1 of the California Government Code commencing with Section 6500; and

2.6 Whereas, the NCPA Member Customers are members of NCPA, and NCPA or other duly authorized entity acts as Scheduling Coordinator on their behalf; and

2.7 Whereas, NCPA has entered into certain agreements with the CAISO including, but not limited to, the Third Amended and Restated NCPA MSS Aggregator Agreement, as amended (NCPA MSS Agreement), and Scheduling Coordinator Agreement, and will have electric power delivered to or from it at each Point of Interconnection using transmission service available to it; and

2.8 Whereas, the NCPA Member Customers have individually or collectively entered into certain agreements with the CAISO including, but not limited to, the NCPA MSS Agreement and the Operating Agreement, and will have electric power delivered to or from each of their respective Points of Interconnection using transmission service available to it; and

2.9 Whereas, the relationships and obligations among NCPA and the NCPA Member Customers are determined under existing contracts and agreements among them, which this Agreement is not intended to alter; and

2.10 Whereas, this Agreement is intended to provide for the terms and conditions of interconnections between the Electric Systems of PG&E and the NCPA Parties and to replace the existing Interconnection Agreement made effective on July 12, 2002 ("Prior Agreement"), between them; and

2.11 Whereas, the Parties intend to replace the Existing Special Facilities Agreements that have been part of the Prior Agreement, and that provide for the interconnection of the

existing generator units of the NCPA Parties with Large Generator Interconnection Agreements and Small Generator Interconnection Agreements, as applicable, among NCPA, PG&E and the CAISO; and

2.12 Whereas the Parties do not intend to change the underlying rights and responsibilities of the parties to the Special Facilities Agreements by transitioning to the new format of the Large Generator Interconnection Agreements and Small Generator Interconnection Agreements, or to impose additional requirements or obligations on existing NCPA generators; and

2.13 Whereas, the Parties agree to operate their respective Electric Systems in accordance with Good Utility Practice consistent with the requirements of this Agreement; and

2.14 Whereas, the Parties intend to cooperate in the operation of their respective Electric Systems to maximize their mutual benefits under this Agreement.

3 AGREEMENT

NOW, therefore, in consideration of the mutual covenants herein set forth, the Parties agree as follows:

4 DEFINITIONS

4.1 Use of Terms

As used in this Agreement (including the Recitals hereto), unless in any such case the context requires otherwise: The terms “herein,” “hereto,” “herewith” and “hereof” are references to this Agreement taken as a whole and not to any particular provision; the term “include,” “includes” or “including” shall mean “including, for example and without limitation;” and references to a “Section,” “subsection,” “clause,” “Appendix,” “Schedule,” or “Exhibit” shall mean a Section, subsection, clause, Appendix, Schedule or Exhibit of this Agreement, as the case may be. Unless otherwise specified in the Agreement, all references to a given agreement, instrument, tariff or other document, or law, regulation or ordinance shall be a reference to that agreement, instrument, tariff or other document, or law, regulation or ordinance as such now exists, including any amendment or modification made hereafter. A reference to a “person”

includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having a separate legal personality and includes its successors and permitted assigns. A reference to a “day” shall mean a calendar day

The following terms, when used in this Agreement with the initial letters capitalized, other than proper names, whether in the singular, plural or possessive, shall have the meanings indicated below. Capitalized terms not defined below shall have the meaning indicated in the Master Definitions Supplement included as Appendix A to the CAISO Tariff, provided, however, if a term as defined in this Agreement conflicts with the CAISO Tariff, the definition in this Agreement shall prevail.

4.1.1 Adverse Impact

An effect on a Party’s Electric System resulting from a Modification, New Facility Addition, or Long-Term Change to Operations to another Party’s Electric System that (1) materially degrades reliability of the affected Party’s Electric System or (2) materially reduces the ability of the affected Party’s Electric System to physically transfer power into, out of, or within said Electric System.

4.1.2 Agreement

This Interconnection Agreement among the Parties and its Appendices, as it may be amended.

4.1.3 Applicable Requirements

Any applicable law or regulation; and any standards, procedures or requirements of an entity with lawful authority to control or govern, including planning, the applicable transmission system (whether in full or in part) or the Balancing Authority Area in which a Party’s Electric System is located, including but not limited to FERC, NERC, WECC, Peak Reliability, and a Balancing Authority.

4.1.4 Balancing Authority Area Arrangements

Arrangements, which may include, but is not limited to, an MSS or MSS Aggregator Agreement, between a Party and its Balancing Authority, or, if a Party is its own Balancing Authority, between a Party and WECC, in which the Party agrees to self-provide or procure the necessary resources and services and perform operations to meet Balancing Authority Area operating requirements and Applicable Requirements to maintain the operating reliability and integrity of the Balancing Authority Area's Electric System(s) in an economic manner consistent with Good Utility Practice.

4.1.5 Control Center

An Electric System's designated operations manager responsible for, among other things, its Electric System switching operations.

4.1.6 Cost

All just, reasonable, necessary and prudently incurred expenses or capital expenditures, including but not limited to those for operation, maintenance, engineering and facilities studies, Adverse Impact identification, Adverse Impact mitigation, contract modification, administrative and general expenses, taxes, depreciation, and fees for consultants, as determined in accordance with the FERC Uniform System of Accounts as such may be amended or superseded from time to time, and capital costs.

4.1.7 CPUC

The California Public Utilities Commission or its regulatory successor.

4.1.8 Direct Assignment Facilities

Facilities or portions of facilities that are owned by PG&E and which are necessary to physically and electrically interconnect the NCPA Parties to the CAISO Controlled Grid at the Points of Interconnection. All Direct Assignment Facilities that are contemplated by the Parties as of the Effective Date of this Interconnection Agreement are identified in the accompanying

Transmission Facilities Agreements attached to and made part of this Agreement. Direct Assignment Facilities shall be subject to FERC approval.

4.1.9 Effective Date

The date specified as the Effective Date of this Agreement in Section 5.2 hereof.

4.1.10 Electric System

All properties and other assets, now or hereafter existing, which are leased to, licensed to, owned by, or controlled by a single person or entity, that are located within or interconnected to that person or entity's service area, and are used for or directly associated with the generation, transmission, transformation, distribution, purchase or sale of electric power, including all additions, extensions, expansions, and improvements thereto. To the extent a person or entity is not the sole owner of an asset or property, only that person's or that entity's ownership interest in such asset or property shall be considered to be part of its Electric System.

4.1.11 Engineering and Operating (E & O) Committee

A joint committee of the Parties established pursuant to Section 9.8.

4.1.12 Existing Contracts

The contracts between the Parties in existence on April 1, 1998 (including any contracts entered into pursuant to such contracts) as may be amended in accordance with their terms or by agreement between the parties thereto from time to time or by order or requirement of FERC or any court having jurisdiction, provided that any contract shall cease to be an Existing Contract when its initially specified term ends, unless extended by agreement of the parties thereto, or when it may be earlier terminated; and contracts between PG&E and the Western Area Power Administration, and contracts between or tariffs involving PG&E and the Transmission Agency of Northern California, in which NCPA has a beneficial interest.

4.1.13 Facility Study

An engineering study to determine required Electric System modifications to accommodate a new Point of Interconnection or a modification of an existing Point of

Interconnection, including the Cost and scheduled completion date for such modifications that will be required to provide needed services.

4.1.14 Interconnection Capacity

The rated maximum capability of Interconnection Facilities for power transfers at Points of Interconnection.

4.1.15 Interconnection Facilities

Electric facilities that establish or modify Points of Interconnection where PG&E's Electric System is connected to the Electric System of the NCPA Parties, or a Third Party. Interconnection Facilities may include, but are not limited to, transmission lines, towers and supports, switching stations, buses, breakers, switches, relays, transducers, transformers, meters, protective equipment, communications and telemetry devices, and land and land rights associated with the Interconnection Facilities at each Point of Interconnection.

4.1.16 Long-Term Change to Operations

An action intentionally taken, or an event permitted by a Party, that materially alters or modifies, on a long-term or permanent basis, the configuration or other operational characteristics of its Electric System. An action or event shall be deemed to have been taken, or to have occurred on a long-term basis if the action or event remains in effect for a period of more than 30 consecutive days or occurred on more than 60 days within any period of twelve (12) consecutive months. The following are examples of actions and events that qualify as a Long-Term Change to Operations when taken or occurring on a long-term basis, though this list is not exclusive:

- (a) materially modifying a Remedial Action Scheme (RAS) or Special Protection Scheme (SPS), or disarming a RAS or SPS contrary to the manner and conditions for which it is designed to operate;
- (b) opening switches that are generally kept closed under normal operating conditions, except in those cases where a modified switching configuration has

- been studied and agreed to by the affected Parties in accordance with Applicable Requirements;
- (c) closing switches that are generally kept open under normal operating conditions, except in those cases where a modified switching configuration has been studied and agreed to by the affected Parties in accordance with Applicable Requirements;
 - (d) material changes to ratings or operating limits of any element of a Party's Electric System;
 - (e) disabling or materially changing the operation of a phase-shifting transformer;
 - (f) an increase in a Party's peak electric load on a Party's Electric System within a rolling twelve (12) month period that constitutes a ten (10) percent or greater increase over the Party's peak electric load from the prior twelve (12) month period;
 - (g) the planned shutdown of a generation facility with a generating capacity greater than 500 kW within any Party's Electric System, other than for routine maintenance; or
 - (h) actions or events similar in nature and/or effect to the foregoing.

A Long-Term Change to Operations as defined does not include (i) outages taken for maintenance or System Emergencies in accordance with Good Utility Practice; or (ii) actions taken during maintenance or to perform maintenance or respond to System Emergencies or (iii) actions taken by a Third Party, including the CAISO, that are beyond the control of the Parties.

4.1.17 Modification

The removal of or alteration or physical change to any element of a Party's Electric System.

4.1.18 New Facility Addition

The addition of a new transmission facility or the addition of a new generation facility directly connected to a Party's Electric System, whether owned by that Party or not.

4.1.19 PG&E Transmission Owner Tariff (PG&E TO Tariff)

PG&E Transmission Owner Tariff on file with FERC as PG&E FERC Electric Tariff Volume 5, as it may be modified or superseded from time to time.

4.1.20 PG&E Wholesale Distribution Tariff (PG&E WD Tariff)

PG&E Wholesale Distribution Tariff on file with the FERC as original PG&E FERC Electric Tariff Volume No. 4, as it may be modified or superseded from time to time.

4.1.21 Point(s) Of Interconnection

The physical connections of PG&E's transmission or distribution lines with NCPA or an NCPA Member Customer's Electric System as specified in Appendix A hereto, as that Appendix may be modified from time to time.

4.1.22 Operating Agreement

The Operating Agreement between Pacific Gas and Electric Company, Plumas-Sierra Rural Electric Cooperative, Northern California Power Agency and Sierra Pacific Power Company dated as of December 14, 2006, which describes and establishes the mutual responsibilities for operation of the interconnection points between PG&E and Plumas-Sierra Rural Electric Cooperation and Sierra Pacific Power Company and Plumas-Sierra Rural Electric Cooperation.

4.1.23 Remote Telemetry Unit (RTU)

A device that relays real-time information, including but not limited to kW, kVar, voltage, and breaker status, to a Party's Control Center or other designated recipient, to be used for monitoring purposes.

4.1.24 Responsible Meter Party

A Party having the responsibility for providing, installing, owning, operating, testing, servicing and maintaining meters and associated recording or telemetering equipment at each Point of Interconnection. Unless otherwise specified herein, NCPA and/or the applicable NCPA Member Customer who owns the meter or equipment in question shall be the Responsible Meter Party under this Agreement.

4.1.25 Service Area

That area within the geographic boundaries of the areas electrically served at retail, now or in the future, by the Parties.

4.1.26 System Impact Study

An engineering study conducted by or in coordination with PG&E at a NCPA Party's request to determine System Reinforcements required on PG&E's Electric System necessary to establish or modify a Point of Interconnection or to address a Significant Operational Change pursuant to Section 10.

4.1.27 System Reinforcements

Reinforcements to PG&E's Electric System, including but not limited to those identified by a System Impact Study, necessary to establish or maintain the Transfer Capability to a Point of Interconnection. System Reinforcements may be required when a Point of Interconnection is added or modified, when a Significant Operational Change pursuant to Section 10 is proposed, or when necessary to serve electric load reliably, or required by Good Utility Practice. System Reinforcements are limited to facilities required on PG&E's Electric System and ordinarily would not include Interconnection Facilities required at the Point of Interconnection.

4.1.28 Third Party

A person or entity that is not a Party to this Agreement.

4.1.29 Transfer Capability

The measure of the capability of interconnected Electric Systems to move or transfer power in a reliable manner from one point to another over all transmission lines between those points under specified system conditions.

4.1.30 Transmission Arrangement

An agreement or tariff, either the CAISO Tariff or a separate contract or tariff which enables NCPA to deliver power and energy to meet its electric power requirements.

4.1.31 Transmission Operations Center

PG&E's Control Center from which it directs operations of its transmission system.

4.1.32 Transmission Facilities Agreement

An agreement made between one or more Parties for services, including, but not limited to, the design and installation of new facilities.

4.1.33 Uncontrollable Force

Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of PG&E or the NCPA Parties which could not be avoided through the exercise of Good Utility Practice.

4.1.34 Upgrade Facility

A new or upgraded Interconnection Facility and/or System Reinforcement constructed or installed pursuant to this Agreement.

5 SCOPE

5.1 Interconnected Operations

This Agreement governs the interconnected and coordinated operation of PG&E's Electric System, a portion of which has been turned over to the operational control of the CAISO, and the NCPA Parties' Electric Systems. As of the Effective Date of this Agreement, the CAISO operates the Balancing Authority Area in which the Parties operate their respective Electric Systems. The Parties agree that, during the term of this Agreement and unless otherwise provided for by amendment of this Agreement, that portion or those portions of the Parties' Electric Systems that are interconnected shall be operated in parallel pursuant to the terms and conditions of this Agreement and their respective Balancing Authority Area Arrangements. Each Party shall at all times to the maximum extent practicable avoid causing any Adverse Impact on another Party's Electric System.

5.2 Effective Date

The term "Effective Date" as used in this Agreement shall mean 0000 hours of July 1, 2015, or the date on which FERC accepts this Agreement for filing and permits it to be placed into effect without material change or material new conditions unacceptable to any Party, whichever is later.

If FERC sets this Agreement for hearing to determine whether it is just and reasonable and otherwise lawful, then this Agreement shall become effective on the date it is permitted to be placed into effect and subject to any conditions imposed by FERC. The ordering of such a hearing in and of itself shall not be considered a material change. However, in the event FERC makes any material change or imposes a material new condition unacceptable to any Party, the Parties shall promptly enter into good faith negotiations in an attempt to achieve a mutually agreeable modification to this Agreement to address any such material change or material new condition. The Parties agree to work diligently to obtain timely acceptance of this Agreement and all of its provisions by FERC, and agree that the NCPA Parties shall be entitled to prior review of PG&E's initial filing with FERC seeking acceptance of this Agreement for filing.

5.3 Termination

This Agreement shall terminate on the earliest of: (i) the occurrence of the fifth anniversary of the Effective Date or the tenth anniversary of the Effective Date if the Parties have agreed to such five-year extension by no later than the fourth anniversary of the Effective Date, where NCPA is authorized by the NCPA Member Customers to act on their behalf regarding such five-year extension; or (ii) the end of the 12th month following the date on which a Party gives the other Parties written notice that this Agreement shall be terminated, which notice shall not be given prior to the fourth anniversary of the Effective Date; or (iii) as provided in Section 10, 15, or 21. Notwithstanding the provisions of Section 5.3, if an NCPA Member Customer provides written notice to the other Parties to terminate the Agreement on the end of the 12th month following the date on which the NCPA Member Customer provides such written notice, the Agreement shall remain in full force and effect as to the remaining Parties. In addition, PG&E may give notice of termination to one NCPA Member Customer without terminating the agreement as to NCPA or any other NCPA Member Customers.

6 INTERCONNECTIONS

Transfer of electric power between the Electric Systems of PG&E and the NCPA Parties shall occur at the Point(s) of Interconnection identified in Appendix A.

6.1 Interconnection Capacity

Interconnection Capacity is determined by engineering studies that consider the physical rating of all equipment installed within the Interconnection Facilities at the Points of Interconnection. The E&O Committee shall periodically review the Interconnection Capacity to ensure that it is sufficiently maintained throughout the term of this Agreement. Unless otherwise agreed by the E&O Committee, any required engineering studies shall be performed by PG&E and the NCPA Parties or an engineering professional acting on behalf of the NCPA Parties, and reviewed with the E&O Committee. The Parties shall cooperate by providing any information necessary for such studies.

6.2 Establishing or Modifying Point(s) of Interconnection

Whenever NCPA or an NCPA Member Customer decides to add or modify a Point of Interconnection at transmission voltage, 60 kV or more, it shall so notify the CAISO, in accordance with the CAISO Tariff, and PG&E, in accordance with the PG&E TO Tariff. Upon PG&E's receipt of such notice, the Parties shall follow the procedures described in Sections 8 through 10 of the PG&E TO Tariff. Regarding disputes that might arise under this Section 6, if the PG&E TO Tariff conflicts with Section 22 of this Agreement, the PG&E TO Tariff shall govern.

If NCPA or an NCPA Member Customer decides to either modify or add a Point of Interconnection at distribution voltage, less than 60 kV, it shall so notify PG&E in accordance with the requirements of the PG&E WD Tariff. Upon PG&E's receipt of such notification, PG&E shall follow the applicable procedures and requirements of the PG&E WD Tariff to determine what Upgrade Facilities, if any, shall be required. Upgrade Facilities required for the addition or modification of a Point of Interconnection at distribution voltage shall be accomplished pursuant to the requirements of the PG&E WD Tariff. Regarding disputes that might arise under this Section 6 as related to service under PG&E WD Tariff, if the PG&E WD Tariff conflicts with Section 22 of this Agreement, the PG&E WD Tariff shall govern.

6.3 New Interconnection Facilities and Upgrades

If Upgrade Facilities are needed as a result of a NCPA or NCPA Member Customer notice to add or modify a Point of Interconnection pursuant to this Section 6, then PG&E, NCPA, and, if applicable the Member Customer issuing the notice shall meet and confer on a mutually acceptable plan to complete the Upgrade Facilities. The Cost responsibility for Upgrade Facilities required as a result of NCPA's or an NCPA Member Customer's notice to add or modify a Point of Interconnection shall be determined based on the provisions of Section 8.1.2 of the PG&E TO Tariff or Section 15 of the PG&E WD Tariff, as applicable, and Appendix C of this Agreement.

Any dispute regarding the actual capability of the existing transmission, distribution, or Interconnection Facilities, or the need for Upgrade Facilities, that will support the new or upgraded Point of Interconnection, or how the Cost responsibility for the necessary Upgrade

Facilities should be allocated, shall be resolved through the dispute resolution procedures as set forth in Section 22.

6.4 Construction Plan and Agreement

Unless otherwise provided under the PG&E TO or WD Tariffs, or otherwise agreed to by the Parties, within thirty (30) calendar days after completion of a Facility Study as provided in the PG&E TO Tariff, NCPA or an NCPA Member Customer shall notify PG&E if it intends to proceed with the Upgrade Facility. PG&E, NCPA, and, if applicable, the notifying NCPA Member Customer shall then meet and confer on a mutually acceptable plan to complete the Upgrade Facility. If the conferring Parties reach agreement on a plan for construction or installation of an Upgrade Facility, including responsibility for payment of the applicable Cost, those Parties shall enter into a separate agreement pursuant to Appendix C. If the conferring Parties fail to reach such agreement, the matter should be resolved through the dispute resolution provisions in Section 22.

6.5 Test Period for Interconnection

The Parties shall cooperate in the testing of the Point(s) of Interconnection and of the Parties' Interconnection Facilities before they go into operation.

7 BALANCING AUTHORITY AREA ARRANGEMENTS

All transmission, distribution and generation facilities within a Party's Electric System shall at all times during the term of this Agreement be within a Balancing Authority Area and operated in accordance with Balancing Authority Area Arrangements. After a Party has had a reasonable opportunity to obtain or re-establish operation in a Balancing Authority Area or make the necessary Balancing Authority Area Arrangements, failure by a Party to operate in a Balancing Authority Area and to operate its Electric System in accordance with, and to maintain in effect, Balancing Authority Area Arrangements, shall be deemed a material breach of this Agreement and just cause for termination and disconnection of the Agreement as to such Party. If any Party operates without being located in an established Balancing Authority Area or without Balancing Authority Area Arrangements in effect, that Party shall fully indemnify and

make whole the other Parties for any penalties, fees or costs imposed or other damages caused to those Parties.

Each Party shall act as its own Scheduling Coordinator or employ a Scheduling Coordinator to act for it. No Party shall have any obligation under this Agreement to serve as Scheduling Coordinator for another Party or take on any other role in which it acts on behalf of another Party as to its Party's transactions.

PG&E has and will have in effect various existing agreements with the Balancing Authority in which its Electric System is located. These agreements include, but are not limited to, the Transmission Control Agreement, the Transmission Owner Tariff, Scheduling Coordinator Agreements, Operating Agreement, and Utility Distribution Company Operating Agreement, all of which enable PG&E to satisfy the obligations of operating within the CAISO's Balancing Authority Area. This Agreement is subject to PG&E's obligations and responsibilities under those agreements, and in the event of any inconsistency between those agreements and this Agreement, the former shall control. NCPA and the NCPA Member Customers have and will have in effect various existing agreements with the Balancing Authority in which their Electric Systems are located. These agreements include, but are not limited to, the Scheduling Coordinator Agreement and NCPA MSS Agreement with the CAISO, the Operating Agreement, and such agreements qualified as Balancing Authority Area Arrangement that may be needed by the CAISO for operation of the Balancing Authority Area. This Agreement is subject to the NCPA Party's obligations and responsibilities under those agreements, and in the event of any inconsistency between those agreements and this Agreement, the former shall control.

8 SYSTEM PLANNING COORDINATION

Pursuant to the CAISO Tariff and Section 8 of this Agreement, PG&E conducts planning studies of its Electric System annually, including the reasonable use of information provided to PG&E pursuant to this Agreement, to identify System Reinforcements or other Modifications of its Electric System necessary to determine the Transfer Capability to reliably serve the expected loads connected to its Electric System, including expected NCPA and NCPA Member Customer loads at Point(s) of Interconnection.

8.1 Planning Process

In order for PG&E to include the effects of growth of the NCPA Parties' Electric System loads in its planning studies, each NCPA Party shall provide PG&E with their respective electric load planning forecast by October 1 of each year. Each NCPA Party shall also provide PG&E with certain network modeling data as required pursuant to Applicable Requirements, including NERC Standards MOD-010 and MOD-12, as such may be revised from time to time. Such electric load planning forecast shall contain the best estimate of its gross Electric System load (actual MW and MWh as measured at the Point of Interconnection plus generation resources internal to the Electric System) and net Electric System load (actual MW and MWh as measured at the Point of Interconnection) for the next five-year period. The initial forecast shall be submitted to PG&E within 30 days of the Effective Date. Both PG&E and the applicable NCPA Party or Parties shall be responsible for participating in planning for the construction of any necessary System Reinforcements as provided in the PG&E TO Tariff Sections 8 through 10. If PG&E disagrees with the electric load planning forecast provided by a NCPA Party, PG&E shall coordinate with NCPA and the impacted NCPA Member Customer, and if necessary, either Party may request that an E&O Committee meeting be scheduled pursuant to Section 9.8.1 to review and discuss PG&E's disagreement with the electric load planning forecast. Nothing in Section 8 prevents PG&E from using, relying on, or incorporating alternative forecasts in planning studies.

8.2 System Reinforcements

If, as a result of its annual planning review process, PG&E determines, through studies conducted pursuant to the CAISO Tariff, including Section 4.8.1 thereof, and in accordance with PG&E TO Tariff Section 9, that a need exists to construct System Reinforcements that will have a direct effect on NCPA or an NCPA Member Customer, PG&E shall inform NCPA and, if applicable, the affected NCPA Member Customer through a notice pursuant to Section 31. Those Parties shall then follow the applicable procedures of the PG&E TO Tariff Sections 8 through 10.

9 OPERATING PROVISIONS

9.1 Good Utility Practice and Applicable Requirements Obligation

Each Party shall operate pursuant to this Agreement in accordance with Good Utility Practice and in compliance with Applicable Requirements of federal, state, and local laws, licenses, and permits. Each Party shall plan and operate its respective Electric System in accordance with Good Utility Practice and endeavor to minimize electrical disturbances on the Electric System of the other Party. No Party shall be obligated to operate in a manner contrary to Good Utility Practice. When satisfying its obligations pursuant to this Agreement, a Party shall in good faith, take all reasonable actions required to satisfy its obligations in accordance with Good Utility Practice and Applicable Requirements to timely avoid or mitigate Adverse Impacts to another Party's Electric System.

9.2 General

The Parties agree to coordinate the operations of their respective Electric Systems so as to avoid or minimize any Adverse Impacts to another Party's Electric System in accordance with Balancing Authority Area Arrangements.

9.3 Power Delivery and Quality Standard

Power delivered is commonly designated as three-phase alternating current, at nominal 60 Hertz, and at the nominal voltage described in Appendix A for each Point of Interconnection. Voltage and frequency fluctuations under system normal operation conditions shall be permitted consistent with Good Utility Practice.

Each Party shall plan, design, and operate its Electric System so as to minimize the interchange of reactive power at the Point(s) of Interconnections.

9.4 Coordination Of Operations

The Parties shall at all times coordinate and communicate their planned and unplanned outages and other switching operations that may have an effect on the operations of another

Party's Electric System and may reasonably be required to protect the integrity of the Balancing Authority Area during System Emergencies.

PG&E, NCPA, and the NCPA Member Customers are also responsible for maintenance and switching operations of their Electric Systems. All Parties may from time to time remove various elements of their Electric Systems from operation or initiate other actions that may affect operations or transfer of energy across Point(s) of Interconnection.

The Parties shall coordinate their activities in the operation and maintenance of their Electric Systems in order to avoid or minimize any adverse effects of those activities on each other.

9.5 Relationship To Balancing Authority Area Operations

The Parties currently operate in the CAISO Balancing Authority Area. In the event that a Party makes any changes that significantly or materially affect its relationship with the CAISO, including, but not limited to, interconnecting its Electric System with a non-CAISO Balancing Authority Area, the Party making the change shall give a minimum of 30 days' notice to the other Parties.

9.6 Separate Balancing Authority Area

Nothing in this Agreement shall prevent or limit any Party from interconnecting with, joining or forming a new Balancing Authority Area. In such event, this Agreement shall be revised as appropriate to reflect such change in Balancing Authority Area operations.

9.7 Reporting Significant Events

Each Party shall promptly, after reporting to the Balancing Authority, report to the other Parties any System Emergency or other significant operating event reasonably likely to affect operation of the other Party's Electric System at each Point(s) of Interconnection. For notice to PG&E, such notice shall be by telephone to PG&E's Transmission Operations Center personnel or to a PG&E substation or switching center as may be designated by PG&E. For notice to NCPA or an NCPA Member Customer, such notice shall be by telephone to NCPA's Control Center, or as otherwise designated by NCPA or the NCPA Member Customer. Each Party, upon

request and on a case-by-case basis for reasonable cause related to operating conditions, shall, in a timely manner, provide Electric System operating information, such as loading on lines and equipment and levels of operating voltages and electric power factors. In the event of an interruption(s), including but not limited to, power quality events, of electric service at any Point of Interconnection, the Party causing the interruption shall report, in a timely manner, to the affected Party or Parties the nature and suspected cause of the event, actions being taken to restore electric service, and the estimated time until restoration of electric service. Within 30 days following the restoration of electric service to the affected Parties, the Party causing the interruption shall provide a written report to the affected Parties identifying the cause of the interruption, and what preventive actions may be taken in the future to mitigate further interruptions in electric service to the affected Parties.

9.8 Engineering And Operating Committee

The Parties shall establish an Engineering and Operating (E&O) Committee. This “E&O Committee” shall jointly develop and modify, as necessary, operating procedures and engineering planning matters required to implement this Agreement. The E&O Committee shall consist of one representative designated in writing by each Party. Each Party shall also designate an alternate who may act instead of a representative at the option of that Party, and an NCPA Member Customer may designate NCPA to act as its alternate. Any Party may at any time change its representatives or alternate on the E&O Committee and shall promptly notify the other Parties of any change in designation. Any representative, by written notice to the other Parties, may authorize its alternate to act temporarily in its place. Each member of the E&O Committee may invite other members of its organization or others, as its advisors, to attend meetings of the E&O Committee.

The E&O Committee shall establish procedures for the coordination and operation of the Parties’ Electric Systems, including, but not limited to, providing for the coordination of maintenance schedules and operation of the Parties’ Electric Systems as may be required to maintain the reliability and power quality of the interconnected Electric Systems, minimize outages, reduce losses, maintain voltage levels, and minimize reactive interchanges. The E&O

Committee shall also be responsible for examining and making recommendations to the Parties for Upgrade Facilities in order to:

- (i) ensure that the Point(s) of Interconnection are operated in accordance with Good Utility Practice;
- (ii) determine necessary additions or modifications to equipment or operating procedures to ensure that the Parties' Electric System reliability and service to its customers will not be adversely affected;
- (iii) determine the studies that need to be performed and the manner in which the Cost of such studies shall be allocated unless the CAISO Tariff, PG&E TO Tariff or PG&E WD Tariff provides otherwise; and
- (iv) make recommendations for the allocation of Costs associated with the Upgrade Facilities unless the CAISO Tariff, PG&E TO Tariff or PG&E WD Tariff provides otherwise.

9.8.1 E&O Committee Meetings

Any Party may call for a meeting of the E&O Committee upon reasonable advance notice to the other Parties. A written agenda incorporating any items proposed by the requesting Party shall be exchanged in advance of such meetings to the affected Parties. The meeting shall be timely scheduled, and the affected Parties shall select a meeting date that is mutually acceptable to the Parties. Meetings may be conducted in person, by telephone or by any other agreed-upon method. Meeting minutes shall be kept to document the discussions and outcome of the meetings, and such meeting minutes are to be distributed to the Parties.

9.8.2 E&O Committee Expenses

The expenses of the members of the E&O Committee, their alternates and advisors shall be borne by the Party they represent. Expenses incurred by the E&O Committee in addition to those herein above mentioned shall be shared in a just and reasonable manner agreed to by the Parties. The sharing of such expenses shall be agreed to prior to the time that such additional expenses are incurred.

9.8.3 E&O Committee Authority

The E&O Committee shall have no authority to modify any of the provisions of this Agreement. All actions, recommendations and reports shall become effective when signed, or otherwise approved, by all members of the E&O Committee and if necessary, referred to the Parties' respective management. Each Party's representatives shall be afforded ample time to review relevant details prior to finalizing any action, recommendation or report and may request up to 30 days to review the material to be acted upon.

9.9 Settlement of Disputes and Arbitration

The Parties agree to make best efforts to settle all disputes under this Agreement between the Parties as a matter of normal business practice under this Agreement. Any unresolved disputes shall be resolved through the dispute resolution procedure set forth in Section 22.

9.10 Protective Devices

Each Party shall, consistent with CAISO requirements and Good Utility Practice, install, modify, set and adjust any required protective relaying equipment associated with facilities within its respective Electric System at their own expense. Such settings, adjustments or replacement shall be consistent with settings, adjustments or replacement made by PG&E to PG&E's protective relaying equipment. The NCPA Parties shall install, modify, set, adjust or replace protective relaying equipment located within their respective Electric Systems in the event that such is required by PG&E's Modification of PG&E's Electric System consistent with CAISO requirements. Such changes shall be reviewed by the E&O Committee, unless otherwise agreed to by the affected Parties. The Parties shall exchange relay settings and fault duty information on a routine basis as agreed upon by the Parties.

9.11 Requirements for NCPA or NCPA Member Customer Operated Generators Connected to PG&E

NCPA or an NCPA Member Customer shall enter into a generator interconnection-type agreement with PG&E substantially consistent with CAISO's Generation Interconnection Agreement, consistent with NCPA's MSS Agreement, and consistent with Section 6 of this Agreement for each new generating facility operated by NCPA or an NCPA Member Customer,

which is connected to PG&E's Electric System at voltages of 60 kV or greater. NCPA or an NCPA Member Customer shall enter into a generator interconnection-type agreement with PG&E substantially consistent with PG&E's Generator Interconnection Agreement under the PG&E WD Tariff, consistent with NCPA's MSS Agreement and consistent with Section 6 of this Agreement for each new generating facility operated by NCPA or an NCPA Member Customer, which is connected to PG&E's Electric System at voltages of less than 60 kV. This section 9.11 does not apply to NCPA or NCPA Member Customer generating facilities not connected to PG&E's Electric System. The Parties will transition existing Special Facilities Agreements with PG&E to the appropriate Generator Interconnection Agreement, but this change is not intended to alter the rights or obligations of the Parties under the existing agreements.

9.12 Continuity Of Service

9.12.1 Operation Actions To Maintain Continuity

Each Party shall take actions that are reasonable and consistent with Balancing Authority Area Arrangements as necessary to maintain continuity of service between the Parties. Such actions may include, but are not limited to, opening or closing circuit breakers or other components of the interconnections.

9.12.2 Unscheduled Interruptions

A Party may temporarily interrupt or reduce any service, or temporarily separate all or any part of the facilities of its Electric System from another Party's Electric System to implement CAISO operating orders and their respective Balancing Authority Area Arrangements or Good Utility Practice at any time that: (i) a System Emergency exists, provided that if the unscheduled interruption is not undertaken pursuant to a CAISO operating order (a) such interruption, reduction of service or separation is necessary to remedy the System Emergency, and (b) the duration of such interruption, reduction of service or separation will be limited to as short a time period as reasonable under the circumstances; (ii) the action is necessary to prevent a hazard to life or property; or (iii) the operation of the Party's Electric System is suspended, interrupted or interfered with as a result of an Uncontrollable Force. Reasonable effort shall be made to

coordinate any such interruption and such interruption will be immediately communicated to the affected Party. In the event of such interruption or reduction in service, the Parties shall restore full service on a basis comparable to the restoration of other public service and safety facilities and consistent with their respective Balancing Authority Area Arrangements.

9.12.3 Scheduled Interruptions

All scheduled interruptions of service shall be made as mutually agreed to by the Parties and in accordance with Balancing Authority Area Arrangements and Good Utility Practice. The Parties shall provide a minimum of 72 hours advance notice of any such interruption, reduction or separation, and its estimated duration.

9.12.4 Interruption By Protective Devices

The Parties utilize automatic protective devices in order to assist in maintaining the integrity and reliability of their respective Electric Systems and to protect their customers from damage, injury or prolonged outages. Service on the Parties' Electric Systems is subject to interruption in the event of operation of such devices. In the event of such interruption, service will be restored consistent with Good Utility Practice and Balancing Authority Area Arrangements. In addition, the Parties shall coordinate such restoration and all installations, upgrades, and replacements of protective devices at Point(s) of Interconnection.

9.12.5 Jeopardy

If at any time continuity of service within the CAISO Balancing Authority Area is being jeopardized due to failure of facilities, the Parties shall coordinate their responses to the situation in order to implement CAISO operating orders in accordance with their respective Balancing Authority Area Arrangements, Good Utility Practice, and any relevant standard promulgated by NERC or another body authorized to promulgate such standards. Such coordination may include the reduction of load; provided, except as otherwise set forth in the Parties' Balancing Authority Area Arrangements, such reduction shall maintain, as far as may be practicable, the relative sizes of load served by each Party in the same proportion as existed before such reduction so that no one Party is required to reduce its load disproportionately.

Any Party may also temporarily interrupt or reduce deliveries to Points of Interconnection or separate all or a part of the facilities of its Electric System from all or a part of the Electric System of another Party, or the Electric System that directly or indirectly serves another Party, if the first Party determines that the following conditions exist or that the described action is necessary: (i) a System Emergency; (ii) in order to install equipment on, make repairs or replacements to, make investigations and inspections of, or perform maintenance or other work on a Party's Electric System; (iii) to prevent a hazard to life or property; (iv) as necessitated by Good Utility Practice; or (v) where the operation of a Party's Electric System is suspended, interrupted or interfered with as a result of Uncontrollable Force. The Parties understand and agree that load curtailment under such circumstances should be coordinated among PG&E, NCPA, the relevant NCPA Member Customer(s) and the CAISO based upon the CAISO Tariff and any Balancing Authority Area Arrangements entered into between the Parties and the CAISO. The Parties shall endeavor to provide notice to the affected Party prior to such interruptions or reductions of deliveries, and such interruptions or reductions of deliveries shall be minimized and implemented after all other practical remedies have been exhausted.

9.13 Operating Records

Each Party shall maintain operating records in accordance with Good Utility Practice. Each Party shall have reasonable access to such operating records kept by another Party which reasonably relate to interconnected operation of the Parties' Electric Systems; provided, that if requested to do so by the other Party, a Party requesting such records shall be required to keep such records confidential pursuant to Section 9.14. Such records shall include, but not be limited to, operating logs, scheduled transfers through each Point of Interconnection, line loadings, outage and power quality reports, voltages and reactive power.

9.14 Confidentiality

The Parties anticipate that during the course of the Parties' relationship under this Agreement, they will at times supply copies of confidential or proprietary information to each other, including information that should be kept confidential from and not disclosed to certain departments within a Party (e.g., transmission planning information that cannot be disclosed to marketing personnel) or to Third Parties, including the public. If PG&E supplies confidential

information to NCPA and/or one or more NCPA Member Customers, or NCPA or one or more NCPA Member Customer supplies confidential information to PG&E, it is the responsibility of the supplying Party to inform the receiving Party that such information is confidential and to label or otherwise mark each confidential document or electronic file "CONFIDENTIAL". It shall be the responsibility and obligation of the receiving Party to maintain the confidentiality of such information in accordance with the supplying Party's reasonable instructions, and to not disclose information designated confidential to any Third Party or entity to whom disclosure is prohibited under applicable regulations (e.g., the FERC Standards of Conduct), unless required to do so by law.

If a Party ("Receiving Party") receives a request from a Third Party, whether under the California Public Records Act, California Government Code Sections 6250-6270, as amended, or otherwise, for access to, or inspection, disclosure or copying of, any of the other Party's (the "Supplying Party") confidential data or information ("Disclosure Request"), then the Receiving Party shall provide notice to and a copy of the Disclosure Request to the Supplying Party within three (3) business days of receipt of the Disclosure Request. Within three (3) business days of receipt of such notice, the Supplying Party shall provide notice to the Receiving Party either:

- (a) that the Supplying Party believes there are reasonable legal grounds for denying or objecting to the Disclosure Request, and the Supplying Party requests the Receiving Party to deny or object to the Disclosure Request with respect to identified confidential information. In such case, the Supplying Party will either defend the denial of the Disclosure Request at its sole Cost (with reasonable assistance by the Receiving Party), or it shall indemnify the Receiving Party for all Costs associated with denying or objecting to the Disclosure Request. Such indemnification by the Supplying Party of the Receiving Party shall include all of the Receiving Party's Costs reasonably incurred with respect to denial of or objection to the Disclosure Request, including but not limited to Costs, penalties, and the Receiving Party's attorneys' fees; or

- (b) that the Supplying Party shall agree that the Receiving Party may grant the Disclosure Request without any liability by the Receiving Party to the Supplying Party.

10 SIGNIFICANT REGULATORY OR OPERATIONAL CHANGE

The procedures set forth in this Section 10 shall apply in the event of a Significant Regulatory Change or a Significant Operational Change as described below.

10.1 Significant Regulatory Change

A “Significant Regulatory Change,” as this term is used in this Section 10, shall be deemed to occur if FERC, the CPUC, the CAISO or any other court, public authority, governmental, or other lawfully established civilian authorities having jurisdiction, issues an order or decision or adopts or modifies a tariff or filed contract, or enacts a law that materially interferes with the ability of any Party to perform any of its obligations under this Agreement.

10.2 Significant Operational Change

A “Significant Operational Change,” as this term is used in this Section 10, shall consist of any of the following: (i) a Party making a new interconnection of its Electric System with the Electric System of a Third Party, including any generation, that would have an Adverse Impact on the operation of another Party’s Electric System; (ii) installation, operation, termination, or expansion by a Party or a Third Party of a generation facility within any Party’s Electric System where power or energy from such generation is intended to or may possibly flow through a Point of Interconnection and create an Adverse Impact on another Party’s Electric System; (iii) a Long-Term Change to Operations; (iv) any other operational change proposed by a Party that could reasonably be expected to create an Adverse Impact on another Party’s Electric System; (v) material amendments and/or revisions to any tariffs, contracts or other applicable documents referenced in this Agreement that directly affect a Party’s obligations under this Agreement, including, but not limited to, the CAISO Tariff, PG&E’s TO Tariff or PG&E’s WD Tariff; or (vi) an action taken by the Balancing Authority that may have a material detrimental impact on the way a Party operates or must operate its Electric System or the Points of Interconnection between the Parties.

10.3 Change in Functions or Scope

The Parties recognize that there may be a change in the functions performed by the CAISO or in the scope of the facilities under the operational control of the CAISO, or the replacement of the CAISO with a Regional Transmission Organization that may perform different functions or have a different scope than the CAISO as of the Effective Date. Such a change shall not be deemed to be a Significant Regulatory Change unless the conditions described in Section 10.1 and 10.2 of this Agreement are satisfied. Any transfer from PG&E to the CAISO of any functions contemplated in this Agreement can be a Significant Regulatory Change if the conditions described in Section 10.1 and 10.2 of this Agreement are satisfied.

10.4 Notification of Significant Regulatory or Operational Change

At any time during the term of this Agreement, if any Party anticipates the occurrence of a Significant Regulatory Change that may reasonably be expected to create an Adverse Impact on any Parties' obligations or operations under this Agreement or Significant Operational Change, such Party shall provide written notice to the affected Parties as soon as practicable. The notice shall contain a description of the change, including expected time schedules, and of the effect of the significant change to the affected Party's Electric System. If the Party giving notice believes that it will be necessary to amend this Agreement to address the anticipated change, then the notice to the other Party may include a proposal that the Parties meet to negotiate an appropriate amendment to this Agreement. The Parties shall promptly enter into good faith negotiations and attempt to achieve a mutually agreeable modification to this Agreement to address any such significant change. If a Party is uncertain as to whether a proposed change might be Significant or might create an Adverse Impact, or if it wishes to have certainty under Section 10.8 before proceeding, the Party should also give notice to the potentially Affected Party as soon as practicable. Notwithstanding the foregoing, where the potential Significant Operational Change is studied in or is the result of the CAISO generator interconnection process ("CAISO Generator Change"), a Party is not obligated to give notice under this Section 10.4, provided that the other Parties are notified in writing of the CAISO Generator Change in accordance with the CAISO Tariff in reasonable time to allow the other Parties the opportunity to express concerns and to provide information to the study conducted in accordance with the CAISO generator interconnection planning process.

10.5 Amendment of Agreement

If the Parties agree that an amendment to this Agreement is necessary to address a Significant Regulatory Change or a Significant Operational Change, the Parties will proceed to negotiate such amendment. If the Parties have not reached agreement within 60 calendar days of the date of the first meeting, any unresolved issues may be submitted for resolution through the dispute resolution procedures set forth in Section 22; provided that all Parties agree to such procedures. After the 60-day period stated above, any Party may, but is not required to, unilaterally initiate an appropriate proceeding respecting this Agreement with FERC pursuant to Sections 205 or 206 of the FPA, which proceeding could include a request for termination of this Agreement, and another Party may exercise its rights under the FPA to protest or oppose such filing. In the event of filing for termination, PG&E shall make an appropriate regulatory filing of a replacement agreement such that the replacement agreement is effective contemporaneously with the termination date of this Agreement.

10.6 Studies of Significant Operational Change

The Party receiving notice of a Significant Operational Change will respond to the Party submitting such notice within 30 days. If the Party receiving such notice believes that there will be no Adverse Impact resulting from the Significant Operational Change, it shall so state. If the Party receiving notice of a Significant Operational Change believes that the proposed change may reasonably be expected to have an Adverse Impact on the operation of its Electric System, it may request a study of any such Significant Operational Change to determine the potential for any Adverse Impacts and any potential avoidance or mitigation measures thereto. The affected Parties shall cooperate in determining the scope of the study and how the study should be conducted, and shall cooperate to provide information necessary to conduct such a study in a timely manner. NCPA may, at its sole discretion, act on behalf of a NCPA Member Customer and participate in determining the scope of the study and how the study should be conducted if NCPA is not an affected Party. To the extent studies are required, those studies will be performed in a reasonable period of time.

If it is determined, based on the results of the study, that, in addition, a Facility Study or System Impact Study is required, such study shall be performed within the time and in the

manner specified in Section 10 of the PG&E TO Tariff and as agreed by the Parties. All study Costs associated with a proposal shall be the responsibility of the Party whose proposal or actions will cause the Significant Operational Change, or will be split into two equal shares by (1) PG&E and (2) the NCPA Parties if the CAISO is the entity that causes or will cause the change; provided, that such Costs may be paid by a responsible Third Party and that NCPA Parties shall be responsible for dividing their share of such Costs among themselves. Any disputes over the necessity of particular studies or the Cost of such studies shall be resolved through the dispute resolution procedures set forth in Section 22 unless the dispute resolution procedures of the PG&E TO Tariff or the PG&E WD Tariff apply. Upon completion of necessary studies, the Parties will each review the study results and discuss any recommendations for avoidance and/or mitigation of Adverse Impacts.

10.7 Mitigation And Costs

Unless otherwise agreed by the Parties, the Party whose proposal or action causes the Significant Operational Change (“Modifying Party”) shall be responsible for avoiding or fully mitigating an Adverse Impact to the Electric System of an affected Party (“Affected Party”), and to the extent Adverse Impacts cannot be avoided or fully mitigated, fully compensating the Affected Party for all Costs incurred pursuant to the Adverse Impact; provided, that such Costs may be paid by a responsible Third Party. Any reasonable Cost incurred by the Affected Party in its cooperation with the Modifying Party shall be reimbursed by the Modifying Party. All avoidance or mitigation measures shall be completed before the Significant Operational Change is made. Any dispute regarding the need for, the nature of, or the Cost of mitigating Adverse Impacts or compensating the Affected Party for those Adverse Impacts that cannot be mitigated shall be resolved through the dispute resolution procedures set forth in Section 22.

In the event changes in transmission delivery voltages, relocation of facilities serving Points of Interconnections or other changes in transmission facilities are necessary on PG&E’s side of any Point of Interconnection with NCPA or an NCPA Member Customer because of changes to PG&E’s transmission as a result of Good Utility Practice or CAISO planning requirements, these changes shall be made by PG&E at its expense. For similar changes made to NCPA’s or an NCPA Member Customer’s side of Point(s) of Interconnection, such changes shall

be at NCPA's or the NCPA Member Customer's expense unless the change is made for PG&E's benefit and at PG&E's sole discretion or as otherwise agreed. Such change made at PG&E's sole discretion shall be submitted to the E&O Committee for its determination of respective long term benefits of such changes, if any. The E&O Committee shall recommend a methodology for allocating the Cost of such changes based on the projected net long-term benefits to each Party. Changes required on PG&E's side due to any changes made for NCPA's or an NCPA Member Customer's benefit and at NCPA's or an NCPA Member Customer's sole discretion shall be made at NCPA's or the NCPA Member Customer's expense, unless submitted to the E&O Committee for its determination of an appropriate allocation between the Parties based on projected net long term benefits to each Party.

Notwithstanding the provisions of this Section 10.7, the Modifying Party will not be responsible for their share of any Costs associated with the changes made under this Section that are approved by FERC, or other jurisdictional authority, for inclusion in the Affected Party's Transmission Revenue Requirement for recovery through Access Charges, as provided in Section 26 of the CAISO Tariff. Nothing in the foregoing sentence obligates or requires the Affected Party to seek recovery for any specific Costs in their Transmission Revenue Requirement.

10.8 Failure To Notify Of Significant Operational Changes

Each Party has a duty to provide notice to any Affected Parties of Significant Operational Changes planned for its Electric System that could reasonably be expected to have an Adverse Impact on the Electric System of those Parties. If a Party implements a Significant Operational Change without providing such notice, the Affected Party shall have the right to open any affected Point(s) of Interconnection if, in its judgment, it is necessary to protect the integrity of its Electric System, and the right to file with FERC under Sections 205 or 206 of the FPA seeking appropriate relief, including, but not limited to, amendment or termination of this Agreement, except that the termination of this Agreement by an NCPA Member Customer will not be deemed to terminate this Agreement as to NCPA or any other NCPA Member Customer.

11 INSTALLATION AND ACCESS

Where it is necessary for any Party to install any of its facilities on another Party's premises in order to accomplish the Interconnection or otherwise to perform the duties contemplated by this Agreement, the Parties hereby grant to each other, subject to any legal and regulatory requirements for any specific installation, for the term of this Agreement: i) the right to make such installation along the mutually agreed route (subject to each Party's right to protect its operations or that of its customers in its Service Area) of sufficient width to provide full legal clearance from all structures on such property; and ii) access to each Party's premises upon reasonable notice and at reasonable hours for any purposes reasonably connected with this Agreement.

No Party shall be allowed or obligated to install such facilities unless and until all necessary licenses, permits, certificates, or other governmental authorizations or approvals that may be necessary are obtained and any necessary easements for the installation of facilities are granted. Electric facilities belonging to one Party that are installed on another Party's premises will be relocated only with the agreement of the owner of such facilities, which shall not be unreasonably withheld. The requesting Party shall pay the Cost, if any, of any such facility relocation. If such Costs are FERC jurisdictional, PG&E shall request and obtain FERC acceptance to assess such Costs prior to collection.

12 METERING

12.1 Delivery Meters

All real and reactive power deliveries shall be metered at each Point of Interconnection with meters meeting the requirements of: (i) the CAISO Tariff for interconnections at 60 kV and above; and (ii) the PG&E WD Tariff for interconnections below 60 kV. Any conflicts with regard to metering standards that may arise between this Agreement, the PG&E WD Tariff, or the CAISO Tariff shall be resolved consistent with the applicable tariff. Power deliveries shall be metered at delivery voltages described in Appendix A. At a minimum, the Responsible Meter Party shall meter all power flowing across each Point of Interconnection in either direction. The Parties shall cooperate in the installation and provision of access to the meters, as necessary for each Party to obtain the information needed to perform as contemplated under this Agreement.

12.2 Requirements For Meters And Meter Maintenance

The Responsible Meter Party is obligated to install and maintain metering equipment, including where necessary RTUs, in accordance with CAISO standards, at each Point of Interconnection that shall measure and record real and reactive power flows and shall be capable of recording flows in both directions. Such “in” and “out” meters shall be designed to prevent reverse registration and measure and continuously record such deliveries.

12.3 The NCPA Parties’ Obligation To Provide Meter Data To PG&E

NCPA and the NCPA Member Customers, pursuant to the NCPA MSS Agreement, subject to any exemptions granted by the CAISO, supplies the CAISO with both telemetry and settlement quality meter data for each Point of Interconnection. The telemetry data includes generator status, voltage and energy output. NCPA or an NCPA Member Customer will be the Responsible Meter Party for each meter and will grant PG&E access to the same metering data in accordance with the NCPA MSS Agreement. NCPA or an NCPA Member Customers shall also grant PG&E access to metering data that is supplied to the CAISO in accordance with the NCPA MSS Agreement that is associated with generating units interconnected to the Electric System of NCPA or an NCPA Member Customers. NCPA or an NCPA Member Customer will reasonably cooperate with PG&E to ensure that PG&E can successfully access metering data under this Section 12.3. Should the NCPA MSS Agreement terminate for any reason, the Parties shall cooperate in determining an alternative method for supplying PG&E the same level of access to data as it had under the NCPA MSS Agreement and this Agreement.

In addition, where there is real-time telemetry of NCPA or NCPA Member Customer generation facilities and transmission interconnections of one (1) MW or larger, NCPA and/or NCPA Member Customers shall provide PG&E with the available real-time telemetry via the existing PG&E to NCPA Inter-Control Center Protocol (“ICCP”) data link.

12.4 Consequences of Failing to Provide Meter Data

In the event that the Responsible Meter Party fails to provide to PG&E access to available meter data in accordance with Section 12.3, PG&E shall be entitled to make reasonable assumptions necessary for the operation of its transmission system. The assumptions shall be

based on reasonably available information including, but not limited to, records of historical usage, available data and meter readings and general characteristics of NCPA or the NCPA Member Customers' operation and facilities.

12.5 Periodic Meter Testing

All meters necessary to operate each Point of Interconnection shall be installed, tested, and maintained in accordance with the CAISO Tariff and Good Utility Practice, and shall be tested periodically by the Party owning the meter, at intervals consistent with the CAISO Tariff, and at any other reasonable time upon request by PG&E (if an NCPA Party) or NCPA or an NCPA Member Customer (if PG&E). Meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of PG&E (if an NCPA Party) or the NCPA Parties (if PG&E) shall be afforded reasonable opportunity to be present upon such occasions. Notwithstanding a Party's obligation to afford reasonable opportunity for other Parties to be present for meter inspections, testing or adjustments, if metering equipment that is used to collect settlement qualify data requires immediate maintenance or repair, such maintenance or repair may be completed by the owning Party at its sole discretion.

13 BILLING AND PAYMENT

PG&E shall bill NCPA and/or an NCPA Member Customer, and NCPA and/or an NCPA Member Customer shall pay any amounts owed to PG&E pursuant to this Agreement in accordance with Appendix D. NCPA and/or an NCPA Member Customer shall bill PG&E, and PG&E shall pay any amounts owed to NCPA and/or an NCPA Member Customer pursuant to this Agreement, where Sections D.1 through D.9 of Appendix D shall hereto apply to PG&E's payment obligations to NCPA and/or an NCPA Member Customer, substituting "NCPA" and/or "NCPA Member Customer" for "PG&E", respectively, in accordance with Appendix D.

14 ACCOUNTING

14.1 Accounting Procedures

The Parties shall record relevant Cost(s) and maintain accounting records in accordance with generally accepted accounting practices and as to PG&E the FERC Uniform System of Accounts.

14.2 Audit Rights

For good cause and upon reasonable notice, each Party shall have the right to audit, at its own expense, the relevant records of PG&E (if an NCPA Party) or NCPA or an NCPA Member Customer (if PG&E) for the limited purpose of determining whether the other Party is meeting its obligations under this Agreement. Such audits shall be limited to only those records reasonably required to determine compliance with this Agreement, and each Party agrees to disclose the information obtained in such audit only to those persons, whether employed by such Party or otherwise, that are directly involved in the administration of this Agreement and that are permitted to have access to such information under applicable regulations, including the FERC Standards of Conduct. Each Party agrees that under no circumstances will it use any information obtained in such an audit for any commercial purpose or for any purpose other than assuring enforcement of this Agreement. The right to audit shall be limited to data for two prior years from the date of the final billing for a matter or from the date of the questioned event, as applicable.

15 ADVERSE DETERMINATION OR EXPANSION OF OBLIGATIONS

15.1 Adverse Determination

If, after the Effective Date of this Agreement, FERC or any other regulatory body, agency or court of competent jurisdiction determines that all or any part of this Agreement, its operation or effect is unjust, unreasonable, unlawful, imprudent or otherwise not in the public interest, each Party shall be relieved of any obligations hereunder to the extent necessary to comply with or eliminate such adverse determination. The Parties shall promptly enter into good faith negotiations in an attempt to achieve a mutually agreeable modification to this Agreement to address any such adverse determination.

15.2 Expansion Of Obligations

If, after the Effective Date of this Agreement, FERC or any other regulatory body, agency or court of competent jurisdiction orders or determines that this Agreement should be interpreted, modified, or significantly extended in such a manner that a Party may be required to extend its obligations under this Agreement to a Third Party, or to incur under this Agreement significant new or different obligations to another Party or to Third Parties not contemplated by this Agreement, then the Parties shall be relieved of their obligations to the extent lawful and necessary to eliminate the effect of that order or determination, and the Parties shall attempt to renegotiate in good faith the terms and conditions of the Agreement to restore the original balance of benefits and burdens contemplated by the Parties at the time this Agreement was made.

15.3 Renegotiation

If, within three months after an order or decision as described in Sections 15.1 and 15.2, the Parties either: (i) do not agree that a renegotiation is feasible or necessary; or (ii) the Parties cannot agree to amend or supersede this Agreement, then: (a) any Party may initiate dispute resolution in accordance with Section 22; (b) PG&E may unilaterally file an amendment to this Agreement or a replacement agreement; or (c) the NCPA Parties may take any action before the FERC or elsewhere which it deems appropriate. The effect of any termination under this Section 15.3, and the rights of the Parties thereunder, shall be as provided in Sections 36 and 37. As used in this Section 15.3, the term "Agreement" includes both this Agreement and any tariff, rate or rate schedule that in whole or in part results from this Agreement.

16 ASSIGNMENT

16.1 Consent Required

No transfer or assignment of the rights, benefits or duties of any Party under this Agreement shall be effective without the prior written consent of the other Parties except as provided herein, which consent shall not be withheld unreasonably; provided, that this Section 16 shall not apply to interests that arise by reason of any deed of trust, mortgage, indenture or security agreement heretofore granted or executed by any Party. No partial assignment of the

rights, benefits or duties of any Party shall be permitted under this Agreement unless otherwise agreed to by PG&E (if an NCPA Party) or NCPA and the NCPA Member Customers (if PG&E), except that the NCPA Parties may assign the rights, benefits and duties under this Agreement among themselves at their discretion.

16.2 Assignee's Continuing Obligation

Any successor to or transferee or assignee of the rights or obligations of a Party, whether by voluntary transfer, judicial sale, foreclosure sale or otherwise, shall be subject to all terms and conditions of this Agreement to the same extent as though such successor, transferee, or assignee were an original Party.

17 CAPTIONS

All indices, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to affect the meaning of the contents or scope of the Agreement.

18 CONSTRUCTION OF THE AGREEMENT

Ambiguities or uncertainties in the wording of the Agreement shall not be construed for or against any Party.

19 CONTROL AND OWNERSHIP OF FACILITIES

The Electric System of a Party shall at all times be and remain in the exclusive ownership, possession and control of the Party, or licensed or leased to that Party as provided in the applicable arrangement, and nothing in this Agreement shall be construed to give another Party any right of ownership, possession or control of all or any portion of that Electric System. All facilities owned and installed by one Party hereunder shall, unless otherwise agreed by the Parties, at all times be and remain the property of that Party, except that the NCPA Parties may transfer ownership of property among themselves at their discretion.

20 COOPERATION AND RIGHT OF ACCESS AND INSPECTION

Each Party shall give to the others all necessary permission to enable it to perform its obligations under the Agreement. PG&E shall give to the NCPA Parties, and the NCPA Parties to PG&E, the right to have their agents, employees and representatives, on reasonable notice and accompanied by the agents, employees and representatives of the other Party, enter its premises at reasonable times and in accordance with reasonable rules and regulations for the purpose of inspecting the property and equipment of the other Party to the extent necessary and in a manner that is reasonable for assuring the performance of the Parties under the Agreement.

21 DEFAULT

21.1 Termination For Default

If any Party breaches its material obligations under this Agreement, such breach shall constitute an event of default. If any Party defaults under this Agreement, another Party may terminate this Agreement as to the defaulting Party; provided that prior to such termination the non-defaulting Party must provide the defaulting Party with written notice stating: 1) the non-defaulting Party's intent to terminate; 2) the date of such intended termination; 3) the specific grounds for termination; 4) specific actions that the defaulting Party must take to cure the default, if any; and 5) a reasonable period of time, which shall not be less than 60 calendar days, within which the defaulting Party may take action to cure the default and avoid termination, provided there is any action which can be taken to cure the default. Termination shall not become effective without approval by FERC. Application of dispute resolution pursuant to Section 22 with regard to separate disputes shall not be deemed to limit the right to terminate this Agreement under this Section 21.1. Notwithstanding the right of a non-defaulting Party to terminate this Agreement pursuant to Section 21.1, if less than all of the NCPA Member Customers exercise such right, the Agreement shall remain in full force and effect as to the remaining Parties. Nor will the default of one or more NCPA Member Customers allow termination of the Agreement with respect to NCPA itself or the other NCPA Member Customers.

21.2 Other Remedies For Default

The remedy under Section 21.1 is not exclusive and, subject to Section 22, any Party shall be entitled to pursue any other legal, equitable or regulatory rights and remedies it may have in response to a default by another Party.

22 DISPUTE RESOLUTION

The Parties shall make best efforts to resolve all disputes arising under this Agreement expeditiously and by good faith negotiation. Where this Agreement specifically calls for resolution of disputes pursuant to this Section 22, the Parties shall pursue dispute resolution according to the provisions of Appendix B.

23 GOVERNING LAW

This Agreement shall be interpreted, governed by and construed under the laws of the State of California, as if executed and to be performed within the State of California.

24 INDEMNITY

24.1 Definitions

As used in this Section 24, with initial letters capitalized, whether in the singular or the plural, the following terms shall have the following meanings:

24.1.1 Accidents

- (i) Accidents sustained by a Third Party (“Claimant”), which is an ultimate use customer of a Party;
- (ii) arises out of delivery of, or curtailment of, or interruption to electric service, including but not limited to abnormalities in frequency or voltage; and
- (iii) results from either or both of the following:

a. engineering, design, construction, repair, supervision, inspection, testing, protection, operation, maintenance, replacement, reconstruction, use, or ownership of any Party's Electric System; or

b. the performance or non-performance of any Party's obligations under the Agreement.

24.2 Indemnity Duty

If a Claimant makes a claim or brings an action against a Party seeking recovery for loss, damage, Costs or expenses resulting from or arising out of an Accident the following shall apply:

24.2.1

That Party shall defend any such claim or action brought against it, except as otherwise provided in this Section 24.2.

24.2.2

A Party ("Indemnitor") shall hold harmless, defend and indemnify, to the fullest extent permitted by law, PG&E (if such claim or action is brought against an NCPA Party) or NCPA or an NCPA Member Customer (if such claim or action is brought against PG&E), its directors or members of its governing board, officers and employees ("Indemnitees"), upon request by the Indemnitee, for claims or actions brought against the Indemnitee allegedly resulting from Accidents caused by acts, errors or omissions of the Indemnitor.

24.2.3

No Party shall under this Agreement be obligated to defend, hold harmless or indemnify another Party, its directors or members of its governing board, officers and employees for Accidents resulting from the latter's gross negligence or willful misconduct.

24.2.4

In the event a dispute under this Section 24 is litigated, each Party specifically agrees to pay its own incurred Costs including attorney's fees, expert and consultant fees, and other Costs of litigation.

25 JUDGMENTS AND DETERMINATIONS

When the terms of this Agreement provide that an action may or must be taken, or that the existence of a condition may be established based on a judgment or determination of a Party, such judgment shall be exercised or such determination shall be made reasonably and in good faith, and where applicable in accordance with Good Utility Practice and shall not be arbitrary or capricious.

26 LIABILITY

26.1 To Third Parties

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to, any Third Party.

26.2 No Consequential, Special or Indirect Damages from Breach

Except for its willful action, gross negligence, or with respect to breach of this Agreement or the indemnity duty under Section 24.2, no Party, nor its directors or members of its governing board, officers, employees or agents shall be liable under this Agreement to another Party for any loss, damage, claim, Cost, charge or expense arising from or related to this Agreement. In the event of breach of this Agreement, no Party, nor its directors or members of its governing board, officers, employees or agents shall be liable under this Agreement to another Party for any consequential, special or indirect damages.

26.3 Protection Of A Party's Own Facilities

Each Party shall be responsible for protecting its facilities from possible damage by reason of electrical disturbances or faults caused by the operation, faulty operation, or non-operation of PG&E's (if an NCPA Party) or NCPA's or an NCPA Member Customers' (if PG&E) facilities, and such other Party shall not be liable for any such damage so caused;

provided, this limitation on liability shall not extend to failure to observe the requirements of Section 10.

26.4 Liability For Interruptions

PG&E shall not be liable to the NCPA Parties, and the NCPA Parties shall not be liable to PG&E, and each hereby releases the others and their directors, members of their governing board, officers, employees and agents from and indemnifies them, to the fullest extent permitted by law, for any claim, demand, liability, loss or damage, whether direct, indirect or consequential, incurred by either, that results from the interruption or curtailment in accordance with i) this Agreement, ii) Good Utility Practice, or (iii) as directed by the CAISO, of power flows through a Point of Interconnection under this Agreement.

27 NO DEDICATION OF FACILITIES

Any undertaking by any Party under any provision of this Agreement is rendered strictly as an accommodation and shall not constitute the dedication by the first Party of any part or all of its Electric System to the other, the public, or any Third Party. Any such undertaking by any Party under a provision of, or resulting from, this Agreement shall cease upon the termination of that Party's obligations under this Agreement.

28 NO OBLIGATION TO OFFER SAME SERVICE TO OTHERS

By entering into this Agreement to interconnect with the NCPA Parties or any Third Party at NCPA's or an NCPA Member Customer's request, and filing it with FERC, PG&E does not commit itself to furnish any like or similar undertaking to any other person or entity.

29 NO PRECEDENT

This Agreement establishes no precedent with regard to any other entity or agreement. Nothing contained in this Agreement shall establish any rights to or precedent for other arrangements as may exist, now or in the future, between the Parties for the provision of any interconnection arrangements, interconnection service, or any form of electric service.

30 NO OTHER SERVICES PROVIDED

No Party undertakes under this Agreement the obligation to provide or make available any transmission service, distribution service, power or energy sales or services or Ancillary Services for any other Party or any Third Party, unless otherwise agreed to by a Party, and where such provision or receipt of services will be made pursuant to a separate agreement. Provided, however, this Agreement does not supersede rights or obligations as provided in Existing Contracts.

30.1 Limitation on Parties Obligation

The Parties specifically intend that this Agreement shall relate only to their rights and obligations pertaining to the interconnection of their Electric Systems. Under this Agreement, no Party undertakes to provide or make available any Balancing Authority Area services, transmission service, distribution service, power or energy sales or services or Ancillary Services for any other Party or any Third Party, and in no circumstance shall any Party be responsible under this Agreement for providing any such services.

This Agreement does not supersede rights or obligations as provided in any other agreement between any or all of the Parties. Nothing in this Agreement shall prevent any Party from seeking an order under Section 211 or 212 of the FPA.

30.2 Transmission Arrangements

The NCPA Parties are currently party to several contracts that, among other things, provide Transmission Arrangements for the delivery of power to NCPA Parties' Electric Systems. Nothing in this Agreement shall interfere with the NCPA Parties' rights, including those for transmission services, provided under such contracts. All Parties may make Transmission Arrangements, other than or in addition to such service provided from the CAISO.

31 NOTICES

31.1 Written Notices

Any notice, request, declaration, demand, information, report, or item otherwise required, authorized or provided for in this Agreement shall be given in writing, except as otherwise provided in this Agreement, and shall be deemed properly given if delivered personally or by facsimile transmission (fax), sent by first class United States Mail or overnight or express mail service, postage or fees prepaid, or through electronic communication where such electronic communication shall be deemed delivered on the first business day following delivery, to each of the persons specified below:

(1) To NCPA:

Randy Howard
General Manager
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

AND

Tony Zimmer
Supervisor, Industry Restructuring & Interconnection Affairs
Northern California Power Agency
651 Commerce Drive
Roseville, CA 95678

(2) To PG&E:

Mr. David Rubin
Director, Service Analysis
Pacific Gas and Electric Company
Mail Code N9p
P.O. Box 770000
San Francisco, CA 94177

With a copy to:

Mr. Yilma Hailemichael
Manager, Transmission Contract Management
Pacific Gas and Electric Company
Mail Code B13L
P.O. Box 770000
San Francisco, CA 94177

And:

Mr. Bruce Henry
Director, Transmission System Operations
Pacific Gas and Electric Company
Mail Code B15A
P.O. Box 770000
San Francisco, CA 94177

(3) To City of Alameda:
Glenn Steiger
General Manager
Alameda Municipal Power
2000 Grand Street
Alameda, CA 94501

(4) To City of Biggs:
Mark Sorensen
City Administrator
City of Biggs
P.O. Box 307
465 "C" Street
Biggs, CA 95917

- (5) To City of Gridley:
City Administrator
City of Gridley
685 Kentucky Street
Gridley, CA 95948

- (6) To City of Healdsburg:
Terry Crowley
Electric Utility Director
City of Healdsburg
401 Grove Street
Healdsburg, CA 95448

- (7) To City of Lodi:
Elizabeth Kirkley
Utility Director
City of Lodi
1331 South Ham Lane
Lodi, CA 95242

- (8) To City of Lompoc:
Larry Bean
Utility Department Director
City of Lompoc
P.O. Box 8001
100 Civic Center Plaza
Lompoc, CA 93438

- (9) To City of Palo Alto:
Valerie Fong
Utilities Director
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301
- (10) To Plumas-Sierra Rural Electric Cooperative:
Bob Marshall
General Manager
Plumas-Sierra Rural Electric Cooperative
73233 Highway 70
Portola, CA 96122
- (11) To City of Ukiah:
Mel Grandi
Utility Director
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

31.2 Changes Of Notice Recipient

Any Party may change its designation of the person who is to receive notices on its behalf by giving the other Parties notice thereof in the manner provided in this Section 31. No more than three persons shall be designated by a Party to receive notices.

31.3 Routine Notices

Any notice of a routine character in connection with service under this Agreement or in connection with the operation of facilities shall be given in such a manner as the Parties may determine is appropriate from time to time, unless otherwise provided in this Agreement.

31.4 Reliance On Notice

Every Party shall be entitled under this Agreement to rely on another Party's notice when given (or not given, when a Party fails to provide notice within the time prescribed) as having all necessary approvals of that other Party's management, Board of Directors or other governing body, and any notice (or failure to provide timely notice) hereunder shall be binding on the noticing Party and shall obligate that Party to make such payments or to perform such duties as are necessarily associated with the notice or, if a Party fails to provide timely notice, that failure to give notice.

32 RESERVATION OF RIGHTS

Nothing contained herein shall be construed as affecting in any way the Parties' rights under Sections 205 and 206 of the FPA or the regulations promulgated thereunder. The term "rates" as used herein shall mean a statement of rates and charges for or in connection with the services provided for in this Agreement, and all classifications, practices, rules or regulations that in any manner affect or relate to such rates and charges. PG&E may unilaterally make application to FERC for a change in rates, including rate methodology and the terms and conditions of service, under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder. Any party may seek changes to the terms of this Agreement pursuant to Section 206 of the FPA. Nothing contained herein shall be construed as affecting in any way the right of the NCPA Parties to oppose such a change under Section 205 or FERC's rules and regulations or to exercise its rights under Section 206 of the FPA or FERC's rules and regulations.

33 RESPONSIBILITY FOR PAYMENTS AND SECURITY

All Parties shall be fully responsible and liable to each other for payments to be made under this Agreement. The Parties shall perform unconditionally and fully each and every obligation that each has under this Agreement; provided, that this Agreement shall not restrict any right any Party may otherwise have to pledge any of its revenues, funds, assets, rights, property or interests therein. A Party's status as a creditor shall not be subordinate to the interest of any creditor, subject to any pledge or debt obligation, provision of law or existing obligations of a Party.

34 RULES AND REGULATIONS

The Parties may propose, from time to time, changes to such procedures, rules, or regulations as they shall determine are necessary in order to establish the methods of operation to be followed in the performance of this Agreement or requirements of the Balancing Authority; provided, that any such procedure, rule, or regulation shall not be inconsistent with the provisions of this Agreement. If a Party objects to a procedure, rule, or regulation proposed by another Party, it will notify the other Parties and the Parties will endeavor to modify the procedure, rule, or regulation in order to resolve the objection. No such procedure, rule or regulation shall be adopted absent the mutual written consent of the Parties.

35 SEVERABILITY

If any term, covenant or condition of this Agreement or its application is held to be invalid as to any person, entity or circumstance, by FERC or any other regulatory body, or agency or court of competent jurisdiction, then such term, covenant or condition shall cease to have force and effect to the extent of that holding. In that event, however, all other terms, covenants and conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect unless and to the extent that a regulatory agency or court of competent jurisdiction finds that a provision is not separable from the invalid provision(s) of this Agreement.

36 CONTINUING RIGHTS OF THE NCPA PARTIES UPON TERMINATION

Upon termination of the Agreement, the NCPA Parties shall continue to have such rights, if any, to be connected to PG&E's Electric System that are provided by law, regulation or other contract or agreement; provided, that the existence of this Agreement, after its termination, shall not be used by any Party to establish or defeat the existence of any rights provided by law, regulation or other contract or agreement. Termination of this Agreement, if accepted or approved by FERC, also shall terminate any other tariff or rate schedule that in whole or in part results from this Agreement, to the extent not inconsistent with a Party's aforementioned rights at law. After termination of this Agreement and any required FERC acceptance or approval of such termination, all obligations and rights provided under this Agreement or such tariff or rate schedule shall cease, and no Party shall claim or assert any continuing right other than as may be

provided by law, regulation or other contract or agreement. Such termination shall not affect rights and obligations of a continuing nature or for payment of money for goods or services provided prior to termination. This Section shall not be construed as a bar to the assertion by the NCPA Parties of any rights it may have to service following termination of this Agreement, independent and exclusive of the Agreement.

37 RIGHTS OF PG&E UPON TERMINATION

Should FERC deny, condition, suspend or defer PG&E's notice of termination, PG&E shall under no circumstances be required to maintain any interconnections or to provide any services, based in whole or in part on the existence of this Agreement, beyond the minimum time necessary for compliance with FERC's denial, condition, suspension or deferral.

38 WAIVER OF RIGHTS

Any waiver at any time by any Party of its rights with respect to a default under the Agreement, or with respect to any other matter arising in connection with the Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right shall not constitute or be deemed a waiver.

39 UNCONTROLLABLE FORCES

A Party shall not be considered to be in default in the performance of any obligation under the Agreement (other than an obligation to make payments for bills previously rendered pursuant to the Agreement) when a failure of performance is the result of Uncontrollable Forces.

40 ENTIRE AGREEMENT AND AMENDMENTS

PG&E and the NCPA Parties agree that the provisions of this Agreement constitute the entire agreement between them regarding the subject matter of the Agreement and the Parties' rights and obligations with respect thereto. This Agreement is intended to be the complete and exclusive statement of the terms of the Parties' agreement that supersedes all prior and contemporaneous offers, promises, representations, negotiations, discussions or communications between PG&E and the NCPA Parties that may have been made in connection with the subject

matter of this Agreement. No representation, covenant, or other matter, oral or written, that is not expressly set forth, incorporated, or referenced in this Agreement (except for applicable laws and regulations) shall be a part of, modify, or affect this Agreement.

This Agreement may be modified by written agreement of the Parties. Each subpart of Appendix A of this Agreement may be modified by the written agreement of PG&E and the NCPA Member Customer to whose Point(s) of Interconnection that subsection applies, without the agreement of any other Party.

41 NO THIRD PARTY RIGHTS OR OBLIGATION

No right or obligation contained in this Agreement shall be applied or used for the benefit of any person or entity that is not a Party.

42 WARRANTY OF AUTHORITY

Each Party warrants and represents that this Agreement has been duly authorized, executed and delivered by such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, or similar laws effecting the enforcement of creditor's rights.

43 COUNTERPARTS

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all the signatories to all of the counterparts had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

44 APPENDICES INCLUDED

The following Appendices to this Agreement, as they may be revised from time to time by written agreement of the Parties or by order of FERC, are attached hereto and are incorporated by reference as if fully set forth herein:

- Appendix A — Points of Interconnection
- Appendix B — Dispute Resolution and Arbitration
- Appendix C — Upgrade Facilities
- Appendix D — Billing and Payments
- Appendix E — Operational Coordination

45 EXECUTION

IN WITNESS THEREOF, the Parties have, by signature of its duly authorized representative shown below, executed and delivered a counterpart of this Agreement.

NORTHERN CALIFORNIA POWER AGENCY

By: _____

Name: Randy S. Howard

Title: General Manger

PACIFIC GAS AND ELECTRIC COMPANY

By: _____

Name: David Rubin

Title: Director, Service Analysis

CITY OF ALAMEDA

By: _____

Name: _____

Title: _____

CITY OF BIGGS

By: _____

Name: _____

Title: _____

CITY OF GRIDLEY

By: _____

Name: _____

Title: _____

CITY OF HEALDSBURG

By: _____

Name: _____

Title: _____

CITY OF LODI

By: _____

Name: _____

Title: _____

Approved as to form

City Attorney



CITY OF LOMPOC

By: _____

Name: _____

Title: _____

CITY OF PALO ALTO

By: _____

Name: _____

Title: _____

PLUMAS SIERRA RURAL ELECTRIC COOPERATIVE

By: _____

Name: _____

Title: _____

CITY OF UKIAH

By: _____

Name: _____

Title: _____

APPENDIX A POINTS OF INTERCONNECTION

NCPA Member Customer	Point(s) of Interconnection	Voltage (kV)
Alameda	Oakland Substation C and Oakland Substation J	115 (Both Points)
Biggs	Biggs Sub (60 kV and 12 kV)	60 and 12 ¹
Gridley	Gridley Sub	60
Healdsburg	Healdsburg Sub	60
Lodi	Industrial Sub (Lodi Line 1 and Lodi Line 2); and White Slough STIG ²	60 (Both Industrial Points) 230 (White Slough STIG)
Lompoc	Lompoc Sub (Lompoc Line 1 and Lompoc Line 2)	115 (Both Points)
Palo Alto	Colorado Sub (Palo Alto Line 1, Palo Alto Line 2, and Palo Alto Line 3)	115 (All 3 Points)
Plumas Sierra	Quincy Sub	60
Ukiah	Babcock Sub	115

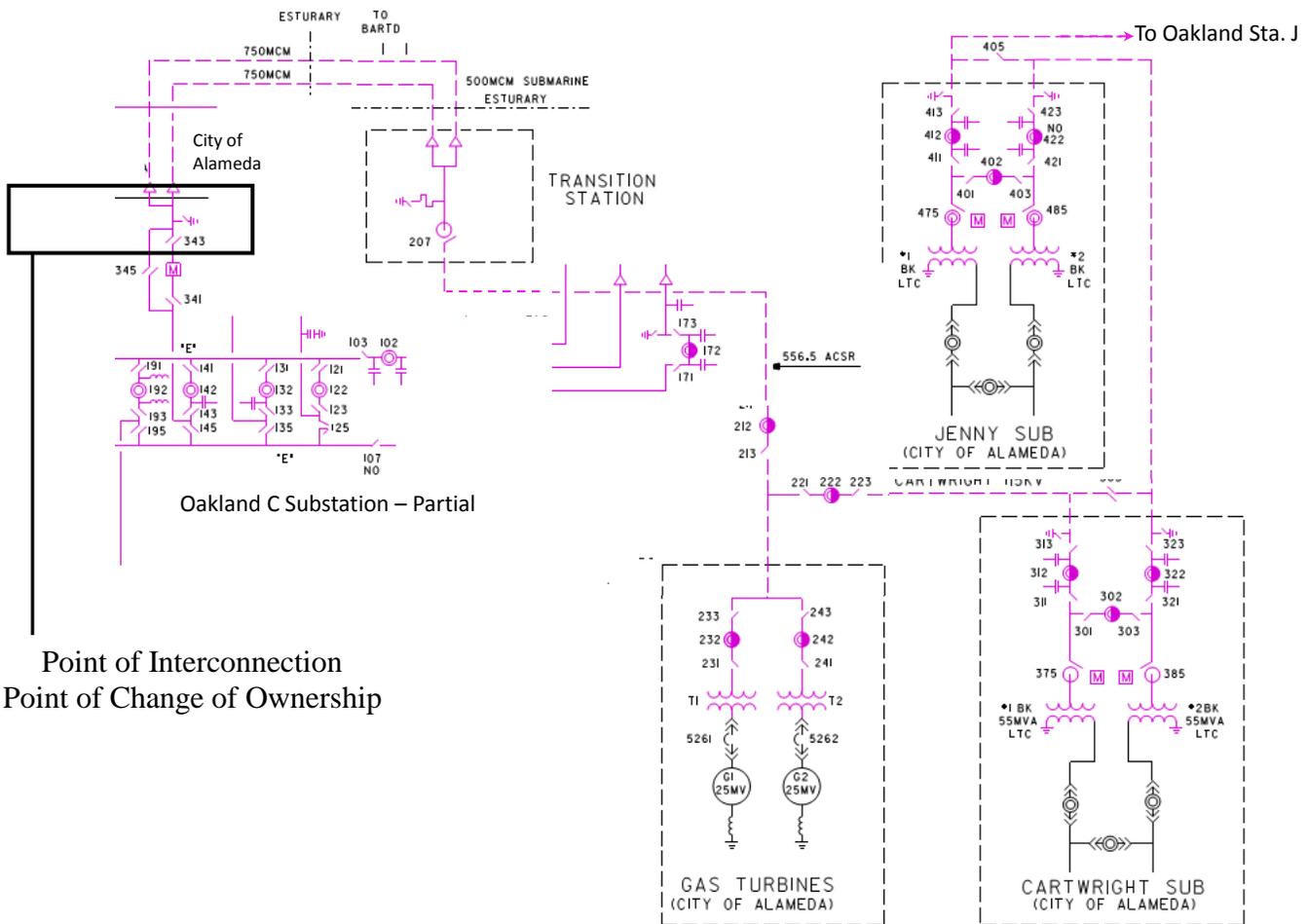
¹ As set forth in the Interruptible Wholesale Distribution Service and Interconnection Agreement between PG&E and the City of Biggs ("12 kV Agreement," PG&E Rate Schedule ____), PG&E's 12 kV system and the facilities needed to retain the connection with the City of Biggs shall only be used for delivery in emergency conditions or during scheduled maintenance of the 60 kV system and only on an as available and interruptible basis, after notification by the party requesting such use. Notwithstanding anything in this Agreement or the 12 kV Agreement, PG&E may take the 60 kV system out of operation or schedule maintenance on the 60 kV system regardless of available capacity on the 12 kV system; provided, however, that PG&E otherwise communicates and coordinates planned outages with NCPA and the City of Biggs in accordance with Section 9.4 of this Agreement.

² Lodi Wastewater treatment plant Load will be served via the Lodi White Slough STIG Interconnection with PG&E, be separately metered, and be included in the normal, coincident and non-coincident Load information for Lodi.

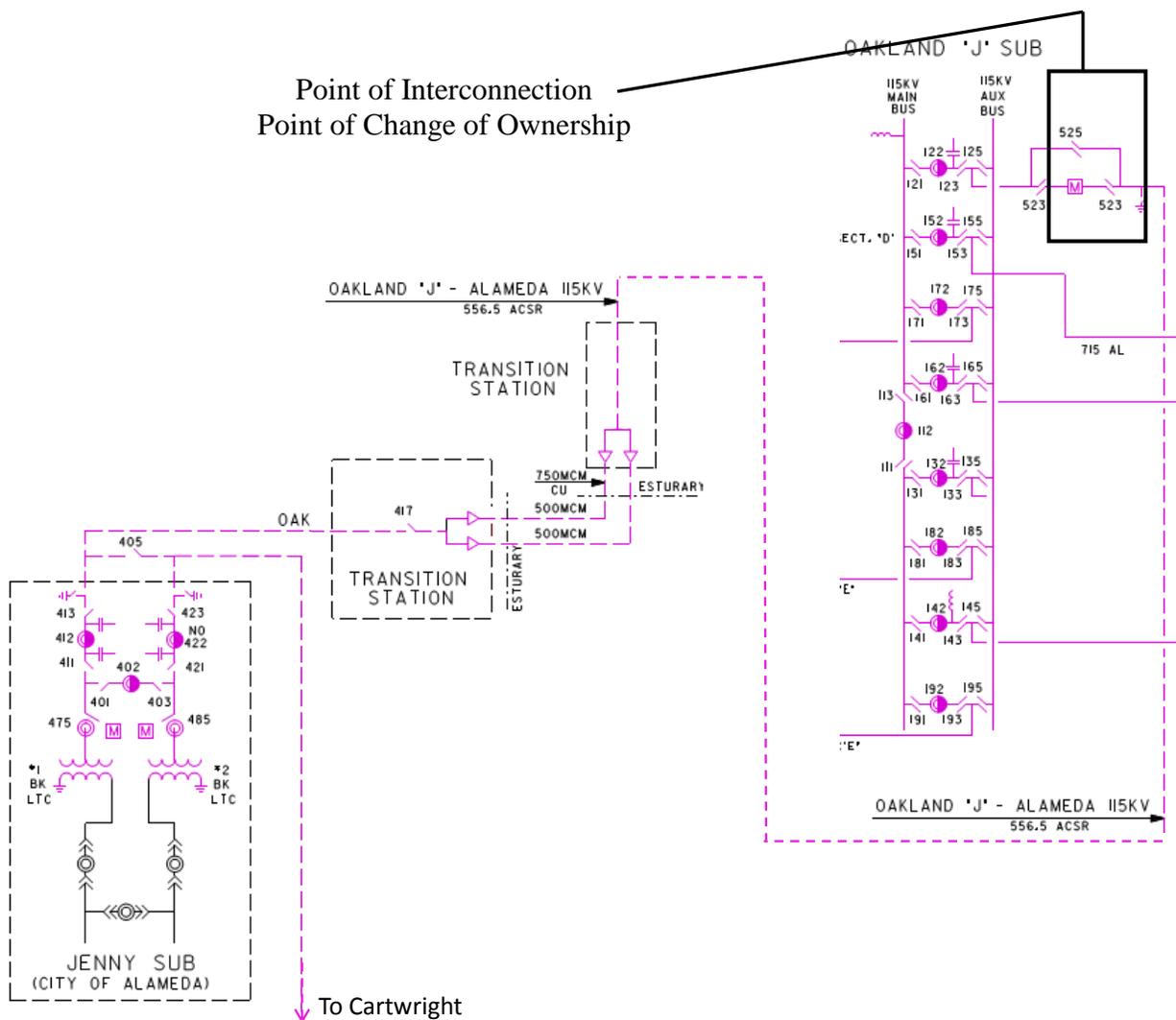
FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF ALAMEDA

The following is a single-line diagram of the City of Alameda's ("Alameda") Interconnection Facilities at the Points of Interconnection that identifies the owner of such Interconnection Facilities.



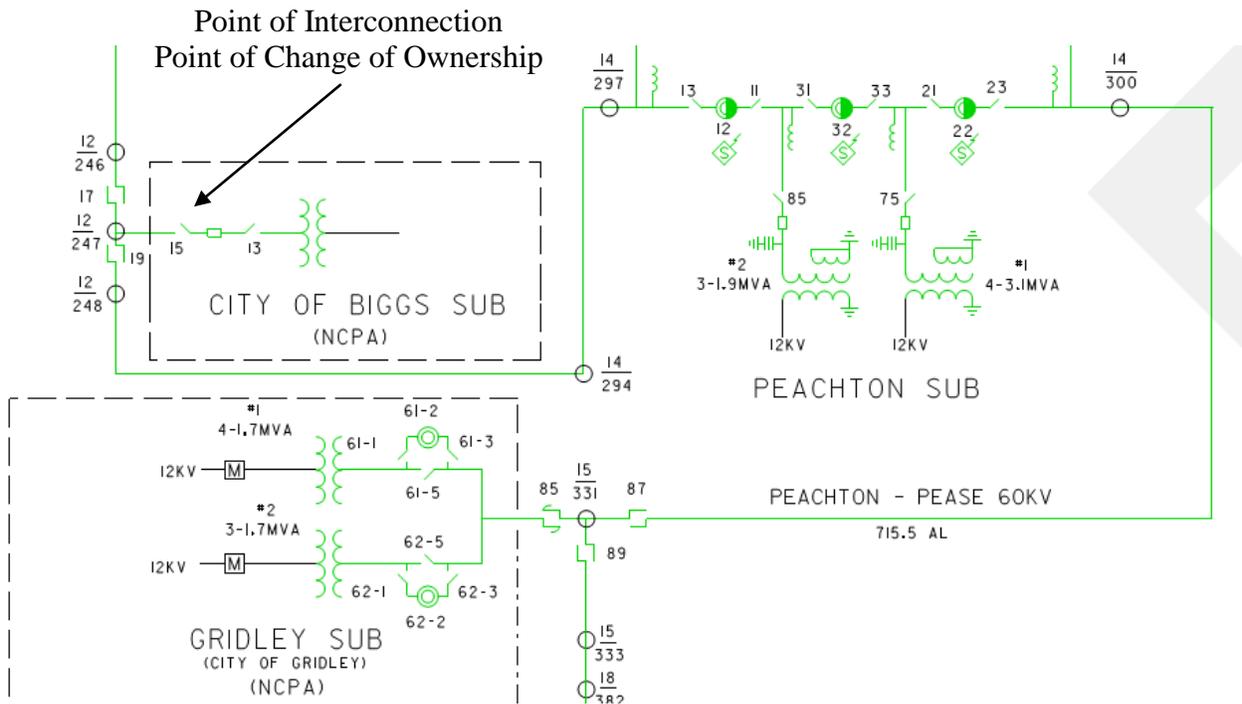
Point of Interconnection
Point of Change of Ownership



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF BIGGS

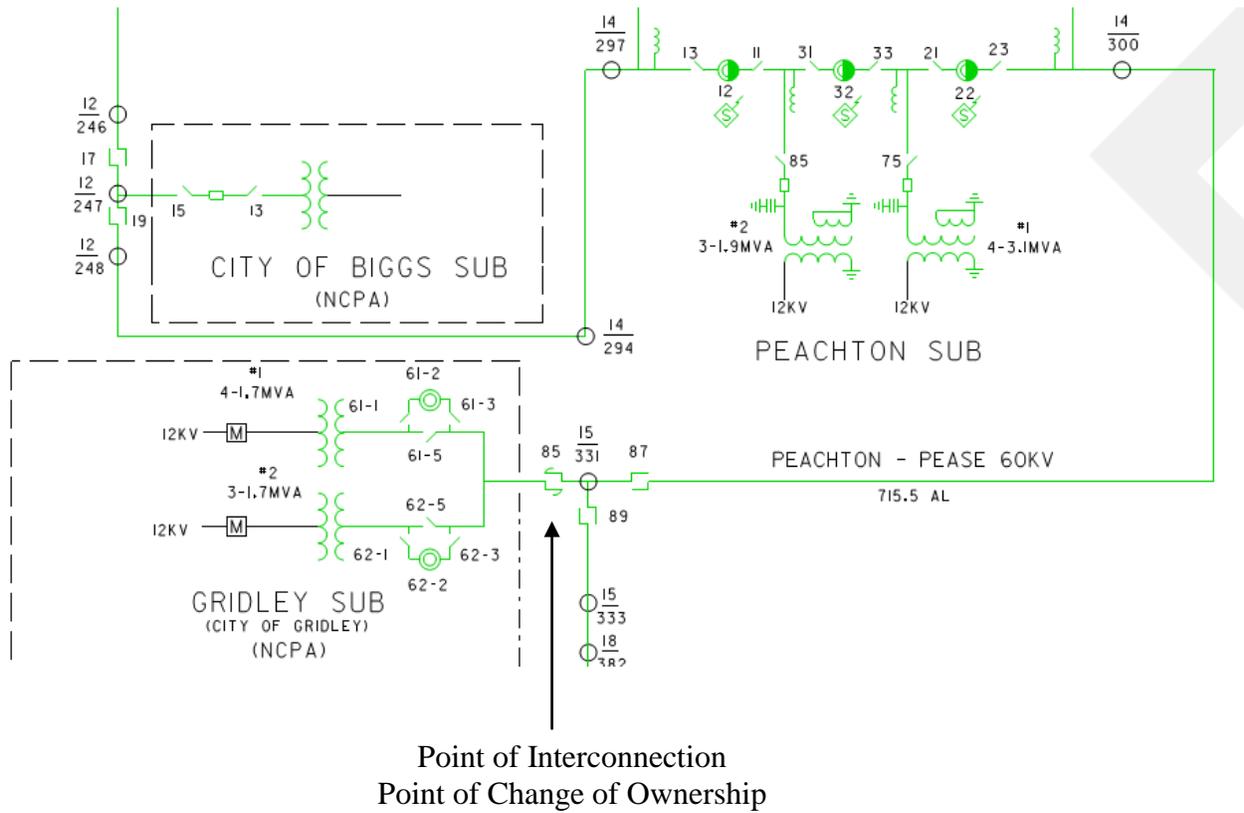
The following is a single-line diagram of the City of Biggs' ("Biggs") Interconnection Facilities at the Point of Interconnection that identifies the owner of such Interconnection Facilities.



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF GRIDLEY

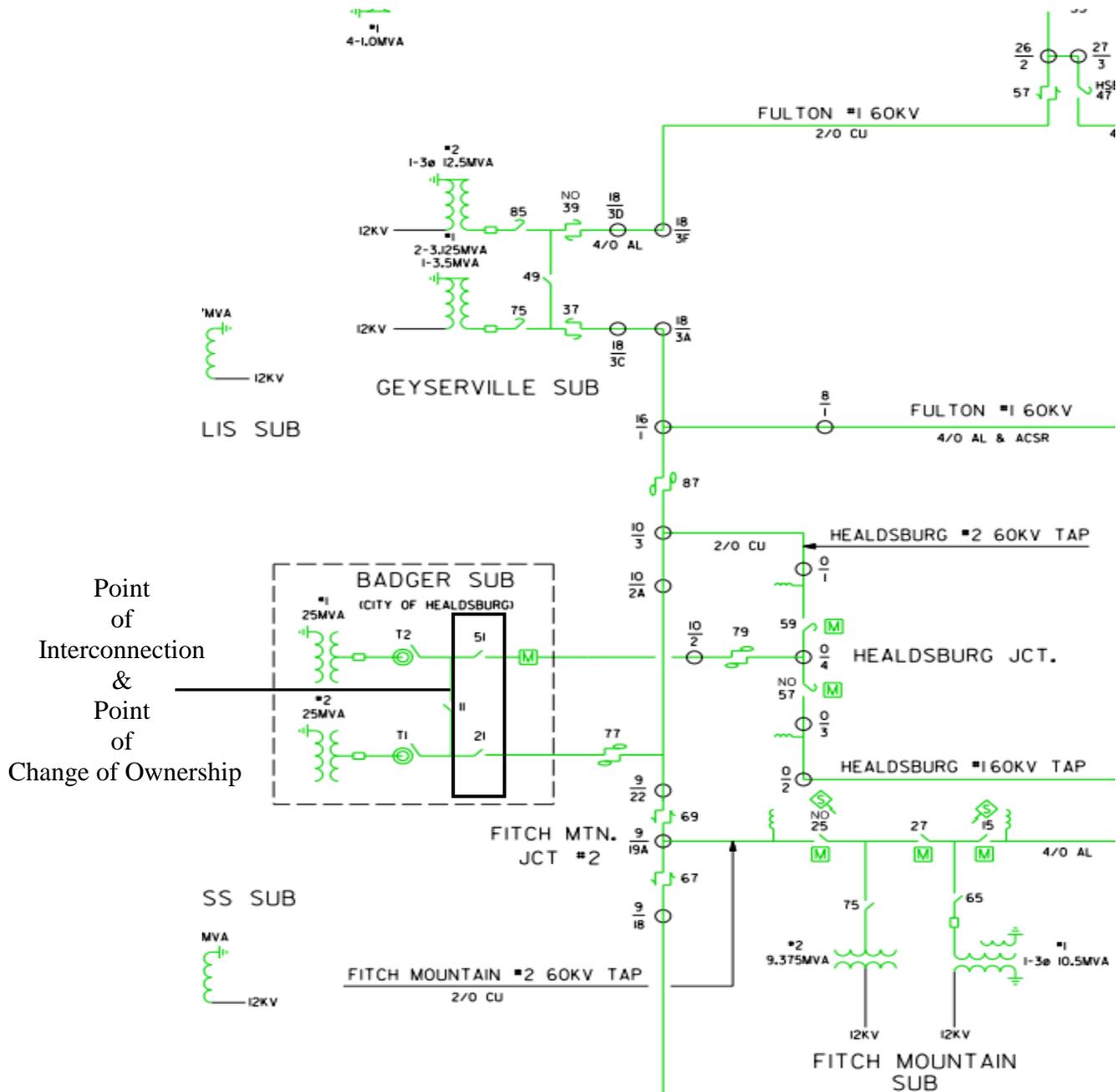
The following is a single-line diagram of the City of Gridley's ("Gridley") Interconnection Facilities at the Point of Interconnection that identifies the owner of such Interconnection Facilities.



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF HEALDSBURG

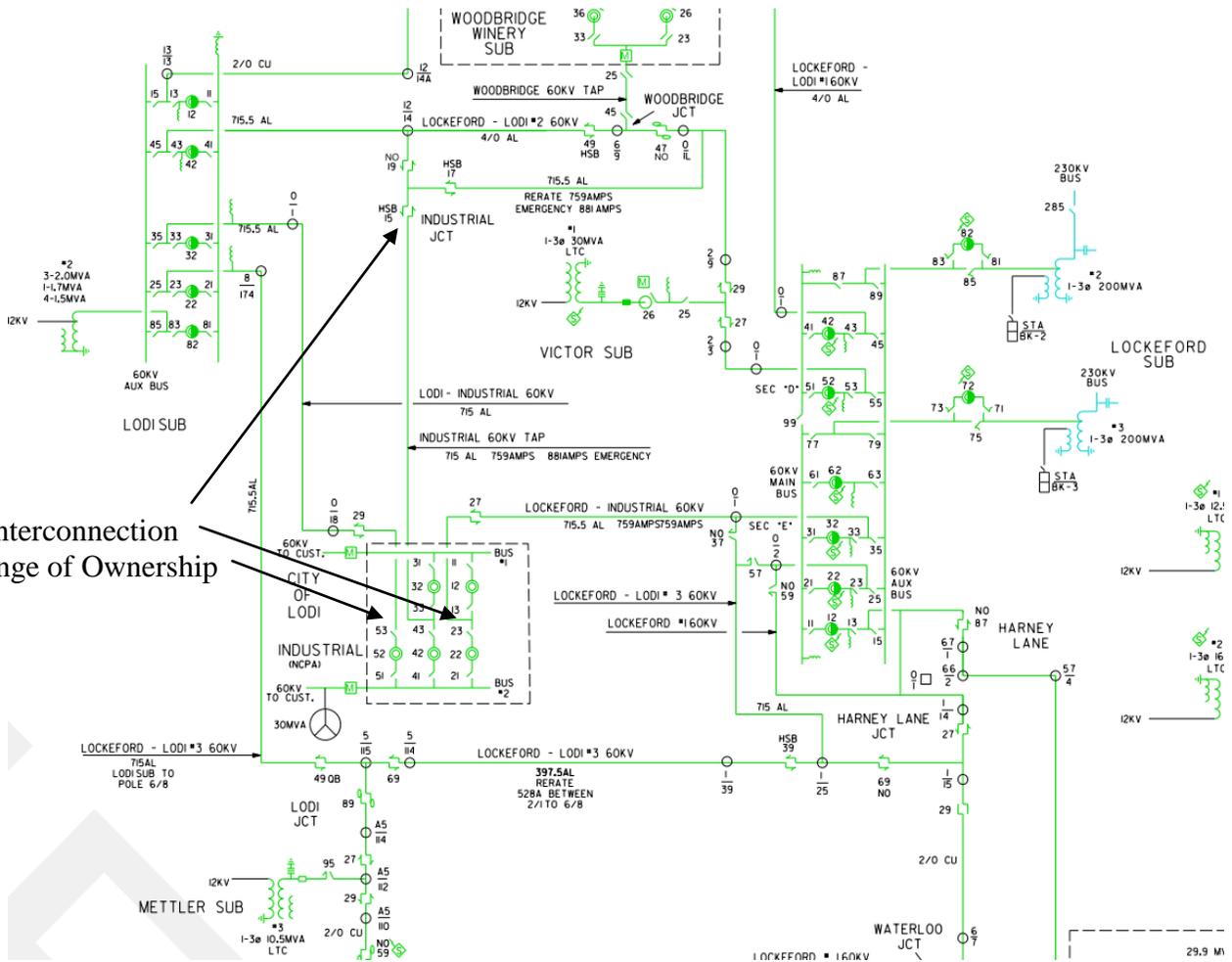
The following is a single-line diagram of the City of Healdsburg's ("Healdsburg") Interconnection Facilities at the Points of Interconnection that identifies the owner of such Interconnection Facilities.



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF LODI

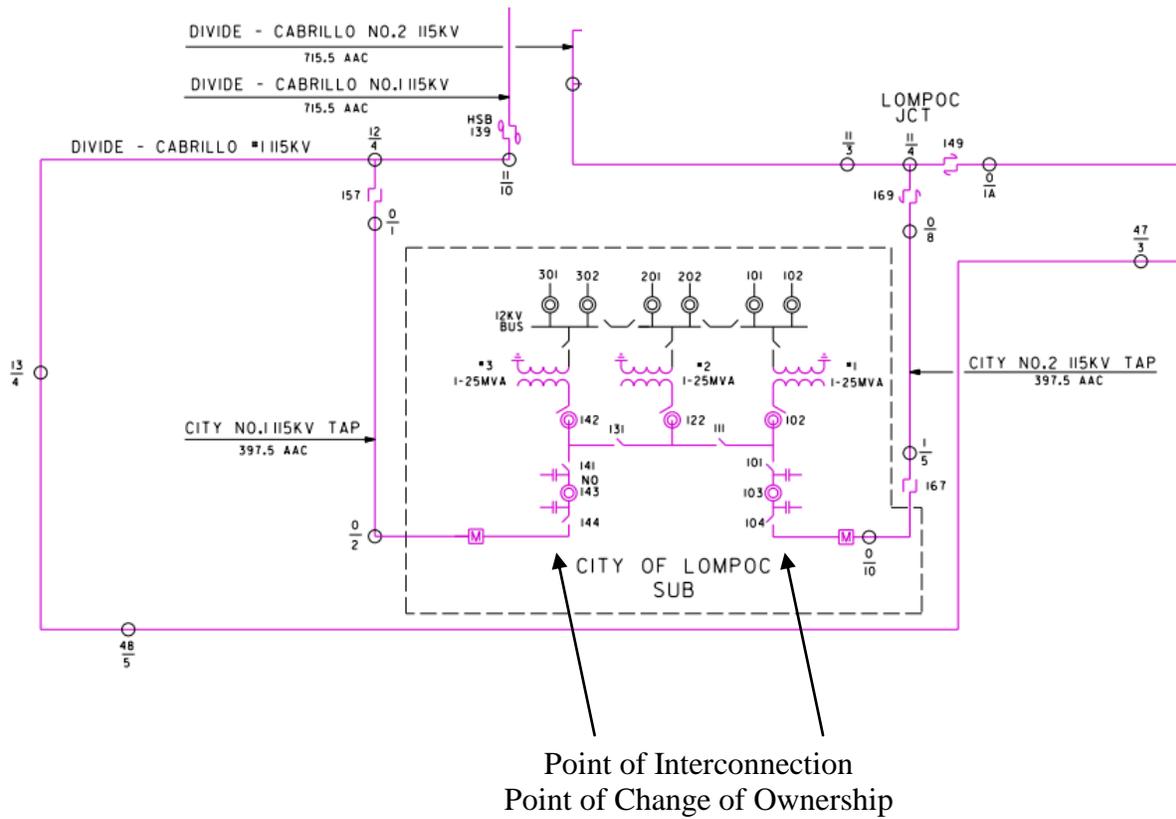
The following is a single-line diagram of the City of Lodi's ("Lodi") Interconnection Facilities at the Points of Interconnection that identifies the owner of such Interconnection Facilities.



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF LOMPOC

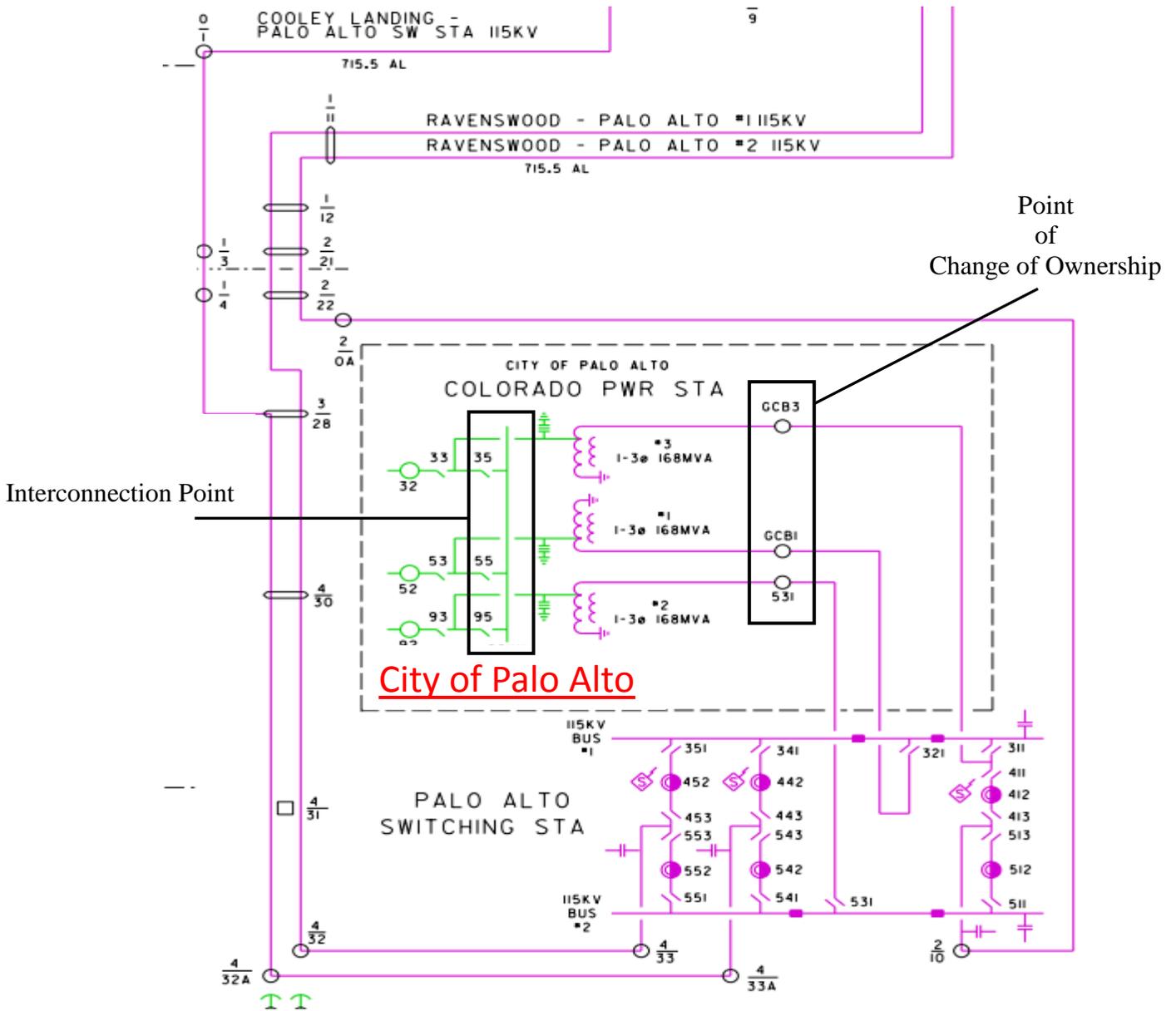
The following is a single-line diagram of the City of Lompoc's ("Lompoc") Interconnection Facilities at the Points of Interconnection that identifies the owner of such Interconnection Facilities.



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF PALO ALTO

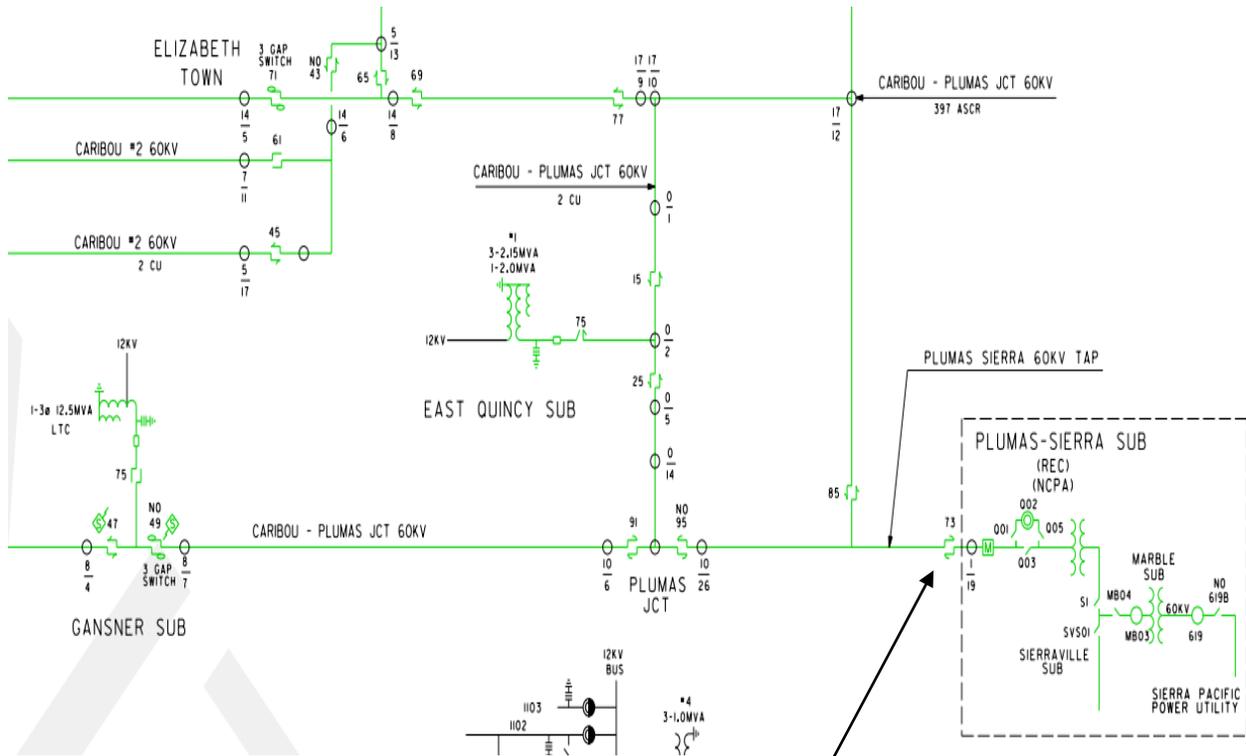
The following is a single-line diagram of the City of Palo Alto's ("Palo Alto") Interconnection Facilities at the Points of Interconnection that identifies the owner of such Interconnection Facilities.



FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

PLUMAS SIERRA RURAL ELECTRIC COOPERATIVE

The following is a single-line diagram of the Plumas Sierra Rural Electric Cooperative's ("Plumas") Interconnection Facilities at the Point of Interconnection that identifies the owner of such Interconnection Facilities.

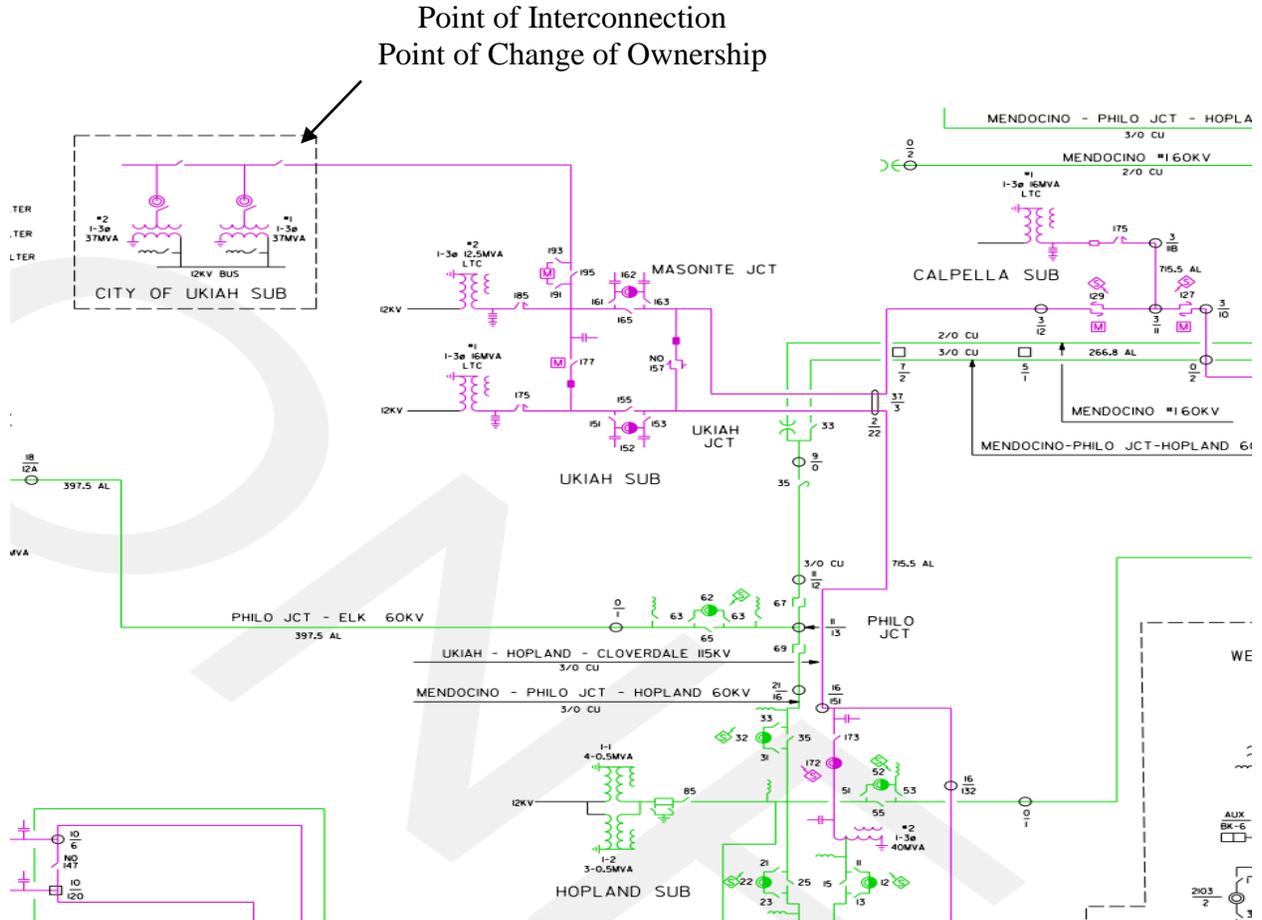


Point of Interconnection
Point of Change of Ownership

FACILITIES AT POINT OF INTERCONNECTION AND OWNERSHIP SCHEMATIC

CITY OF UKIAH

The following is a single-line diagram of the City of Ukiah's ("Ukiah") Interconnection Facilities at the Point of Interconnection that identifies the owner of such Interconnection Facilities.



APPENDIX B DISPUTE RESOLUTION AND ARBITRATION

B.1 NEGOTIATION AND MEDIATION

As provided in Section 22, the Parties agree to seek settlement of all disputes arising under this Agreement by good faith negotiation before resorting to other methods of dispute resolution. In the event that negotiations have failed, but before initiating arbitration proceedings under this Appendix B, the Parties may by mutual assent decide to seek resolution of a dispute through mediation. If this occurs, the Parties shall meet and confer to establish an appropriate timetable for mediation, to pick a mediator, and to decide on any other terms and conditions that will govern the mediation.

B.2 TECHNICAL ARBITRATION

The Parties agree to seek expedited resolution of arbitrable disputes arising under this Agreement that are technical in nature. Technical disputes may include, without limitation, disputes centered on engineering issues involving technical planning studies, the need for and Cost of Upgrade Facilities, and the Interconnection Capacity of a Point of Interconnection. Such technical issues may be resolved through expert application of established technical knowledge and by reference to Good Utility Practice and industry standards.

The Party initiating arbitration pursuant to Section B.3 below shall indicate in its notice to the other Party whether it regards the dispute to be technical in nature. If the Parties agree that a dispute is technical in nature, then the Parties shall meet and confer to develop an appropriate timetable and process for expedited resolution of the dispute by a neutral expert, or “technical arbitrator”. If the Parties cannot agree that a dispute is technical in nature, or if they cannot agree on a neutral arbitrator, then the Parties may submit the dispute to arbitration under the procedures set forth in Appendix B, Section 3 below.

B.3 ARBITRATION

B.3.1 Notices And Selection Of Arbitrators

In the event that a dispute is subject to arbitration under Section 22, the aggrieved Party or Parties shall initiate arbitration by sending written notice to the other Party or Parties. Such notice shall identify the name and address of an impartial person to act as an arbitrator. If any Party takes the position that the dispute is not arbitrable, any Party may take the dispute to FERC for resolution. Within ten (10) business days after receipt of such notice, the other Party or Parties shall, if they agree that the decision is properly arbitrable, give a similar written notice stating the name and address of the second impartial person to act as an arbitrator. Each Party (or aligned group of Parties) shall then submit to the two named arbitrators a list of the names and addresses of at least three persons for use by the two named arbitrators in the selection of the third arbitrator. If the same name or names appear on both lists, the two named arbitrators shall appoint one of the persons named on both lists as the third arbitrator. If no name appears on both lists, the two named arbitrators shall select a third arbitrator from either list or independently of either list. Each arbitrator selected under these procedures shall be a person experienced in the construction, design, operation or regulation of electric power transmission facilities, as applicable to the issue(s) in dispute. If NCPA and any one or more of the NCPA Members Customers are acting jointly or have aligned positions regarding the subject under arbitration, NCPA and the NCPA Member Customers who are acting jointly/have aligned positions will be treated as a single Party for the purposes of selection of an arbitrator.

B.4 PROCEDURES

Within fifteen (15) business days after the appointment of the third arbitrator, or on such other date to which the parties may agree, the arbitrators shall meet to determine the procedures that are to be followed in conducting the arbitration, including, without limitation, such procedures as may be necessary for the taking of discovery, giving testimony and submission of written arguments and briefs to the arbitrators. Unless otherwise mutually agreed by the parties, the arbitrators shall determine such procedures based upon the purpose of the Parties in conducting an arbitration under Section 22 of the Agreement, specifically, the purpose of utilizing the least burdensome, least expensive and most expeditious dispute resolution procedures consistent with providing each Party with a fair and reasonable opportunity to be

heard. If the arbitrators are unable unanimously to agree to the procedures to be used in the arbitration, the arbitration shall be governed by the Commercial Arbitration Rules of the American Arbitration Association.

B.5 HEARING AND DECISION

After giving the Parties due notice of hearing and a reasonable opportunity to be heard, the arbitrators shall hear the dispute(s) submitted for arbitration and shall render their decision within ninety (90) calendar days after appointment of the third arbitrator or such other date selected upon the mutual agreement of the Parties. The arbitrators' decision shall be made in writing and signed by any two of the three arbitrators. The decision shall be final and binding upon the parties subject to rights to appeal the decision to FERC. Judgment may be entered on the decision in any court of competent jurisdiction upon the application of any Party.

B.6 EXPENSES

Each Party shall bear its own Costs and the Costs and expenses of the arbitrators shall be borne equally by the Parties. If the NCPA Parties are acting jointly regarding the subject under arbitration, the NCPA Parties will be treated as a single Party for the purpose of allocating Costs and expenses of the arbitrators.

APPENDIX C UPGRADE FACILITIES

C.1 UPGRADE FACILITIES

At least 60 calendar days prior to the date on which NCPA or an NCPA Member Customer is to commence payment of any Cost as a result of construction of an Upgrade Facility, PG&E shall determine and provide to NCPA and the NCPA Member Customer, if applicable: (i) an estimate of all Cost, broken down by major activities, which PG&E expects to incur; and (ii) a schedule indicating the approximate dates when PG&E expects to pay such Cost for each major activity included in the estimate. PG&E may revise the payment schedule from time to time as appropriate.

C.1.1 If needed, the Affected Parties will enter into a Transmission Facilities Agreement that shall include an estimate and schedule of Cost and payments , and the applicable NCPA Party shall advance such Cost to PG&E pursuant to such schedule or any revisions to it.

C.1.2 The applicable NCPA Party's total payments to PG&E for work performed under this Appendix C, Section 1 shall be for the actual Cost incurred by PG&E. PG&E shall document to the NCPA Party the actual Cost incurred upon completion, and shall refund any amount overpaid by, or request any additional payment from, the NCPA Party, with interest computed as provided in Appendix D, Section D.6 of this Agreement.

C.1.3 Should an NCPA Party seek a ruling from the Internal Revenue Service that its payments under this subsection should be treated as non-taxable contributions-in-aid-of-construction, PG&E shall cooperate reasonably with the NCPA Party in supporting its filing with the Internal Revenue Service.

C.1.4 The NCPA Party shall have the right pursuant to Section 14 of this Agreement to audit the supporting documents upon which PG&E bases its estimate of the Cost of work and actual work performed to be advanced by the NCPA Party pursuant to the Transmission Facilities Agreement, as well as documents that show the actual Cost incurred by PG&E.

C.2 ASSOCIATED FERC FILINGS

If required by FERC or requested by an NCPA Party, PG&E shall file, or at its election may file, with FERC a Transmission Facilities Agreement to document and seek approval of any Cost charged by PG&E to an NCPA Party associated with any facility Modifications, changes, reinforcements or advances contemplated by this Agreement. A NCPA Party shall support this filing by an appropriate submittal to FERC stating its agreement with the charges; provided, that if the Parties are unable to agree on the need or design for an Upgrade Facility or the Cost of an Upgrade Facility or the amount thereof an NCPA Party shall be responsible for, the NCPA Parties may oppose such PG&E filing.

C.3 LIMITATIONS ON RESPONSIBILITY FOR UPGRADE COSTS

C.3.1 No Double Collection

PG&E may not charge an NCPA Party for any Costs associated with Upgrade Facilities that have already been or will be collected through rates paid by PG&E retail or wholesale customers or from a Third Party; provided, that this Section shall not preclude PG&E charging an NCPA Party where refunds are made to those who originally paid for such Costs.

APPENDIX D BILLING AND PAYMENT

The NCPA Parties shall pay PG&E Costs owed pursuant to this Agreement at:

Pacific Gas and Electric Company
Payment Processing Center
Research Unit / B5A
P.O. Box 770000
San Francisco, CA 94177

PG&E may change the place where payment is made by giving the NCPA Parties notice thereof as provided in Section 31.

PG&E shall pay NCPA or an NCPA Member Customer Costs owed pursuant to this Agreement at a place to be named by NCPA or an NCPA Member Customer.

D.1 PG&E shall prepare and submit bills to an NCPA Party on or after the first business day of each calendar month. The payment of any bill shall be due and must be received by PG&E not later than the 30th calendar day following the day on which NCPA receives the bill. Such date shall be referred to as the "Payment Due Date". If the Payment Due Date falls on a Saturday, Sunday or legal holiday, then payment shall be due the next business day. Such date shall be referred to as the Payment Due Date. A bill shall be deemed delivered on the third business day after the postmarked date unless a copy of the bill is sent by electronic facsimile, in which case it shall be deemed delivered on the same day.

D.2 If charges under this Agreement cannot be determined accurately for preparing a bill, PG&E may use its best estimates in preparing the bill and such estimated bill shall be paid by the NCPA Parties. Any estimated charges shall be labeled as such and PG&E shall, upon request, document the basis for the estimate used. Estimated bills shall be prepared and paid in the same manner as other bills under this Agreement.

D.3 If an NCPA Party disputes all or any portion of a bill submitted to it by PG&E, it nevertheless shall, not later than the Payment Due Date of that bill, pay the bill in full. A dispute between a Party and any Third Party shall not be a proper basis for withholding payment. Payments to PG&E of the NCPA Party's obligations arising under this Agreement are not subject

to any reduction, whether by offset, payments into escrow, or otherwise, except for routine adjustments or corrections as may be agreed to by the Parties or as expressly provided in this Agreement.

D.4 When final and complete billing information becomes available and a charge is determined accurately or billing errors are identified and corrected, PG&E shall promptly prepare and submit an adjusted bill to an NCPA Party, and any additional payments by an NCPA Party shall be made in accordance with the provisions of this Appendix D. Refunds by PG&E shall be paid to the affected NCPA Party not later than thirty (30) calendar days after the date of the adjusted bill. All adjustments or corrections of bills under this Agreement shall be subject to the interest provisions of Appendix D, Sections 5 and 6.

D.5 Interest on an additional payment shall accrue from the Payment Due Date of the applicable bill and interest on a refund shall accrue from the date payment of the applicable bill was received by PG&E.

D.6 Any amount due under this Agreement which is not timely paid shall accrue interest from the date prescribed in Appendix D, Section 5 until the date payment is made. The interest amount shall be determined using the interest rate applicable to any amount due during a given month and shall be calculated using the methodology for refunds pursuant to Section 35.19(a) of FERC's Regulations, 18 C.F.R § 35.19(a). This interest rate shall not exceed the maximum interest rate permitted under California law. Interest shall be calculated for the period that the payment is overdue or the period during which the refund is accruing interest.

D.7 As provided in Appendix D, Section 3, if any portion of a bill is disputed, the disputing Party shall pay the full amount, without offset or reduction, by the Payment Due Date, however, a Party can challenge the accuracy of a bill even if no dispute was identified prior to the Party's payment of the bill and such right to dispute a bill shall extend to the end of the statutory period of limitations. In addition, the disputing Party shall, on or before the Payment Due Date, notify PG&E, in writing, of the amount in dispute and the specific basis for the dispute. The Parties shall endeavor to resolve any billing dispute within thirty (30) calendar days of PG&E's receipt of the disputing Party's notice of a dispute (or such extended period as the

Parties may establish). If the Parties cannot agree, any Party may initiate dispute resolution pursuant to Section 22.

D.8 If, after a disputing Party has paid the full amount of a disputed bill directly to PG&E, the results of dispute resolution pursuant to Section 22 include a determination that the amount due was different than the amount paid by the disputing Party, a refund by PG&E to the disputing Party shall include interest for the period from the date the disputing Party's overpayment was received by PG&E to the date the refund is paid to the disputing Party. Likewise, an additional payment by the disputing Party to PG&E shall include interest for the period from the original Payment Due Date to the date the disputing Party's additional payment is received by PG&E. Interest paid pursuant to this Appendix D, Section 8 shall be at the rate determined pursuant to Appendix D, Section 6.

D.9 A Party's failure to make any payment on or before the applicable Payment Due Date shall constitute a material breach of this Agreement if that failure is not corrected within seven (7) business days after the other Party delivers written notice to non-paying Party. In such event, the Party not receiving payment shall be entitled to pursue any legal, equitable and regulatory rights and remedies it may have under this Agreement or otherwise.

APPENDIX E OPERATIONAL COORDINATION

The Parties will perform operational coordination obligations and responsibilities, which consist of but are not limited to the following:

E.1 Maintenance Coordination

The Parties shall coordinate, in conformance with their obligations to the Balancing Authority on an annual basis, any planned maintenance outages of transmission facilities of their respective Electric Systems that may reasonably be expected to have a material impact on another Party's Electric System.

E.2 Underfrequency Load Shedding (UFLS)

Each year after the Planning Coordinator allocates automatic underfrequency load shedding ("UFLS") obligations pursuant to Applicable Requirements, PG&E and each NCPA Member Customer shall coordinate UFLS participation for the twelve (12) month period beginning the following July 1 of that year.

PG&E and each NCPA Member Customer with NCPA's assistance shall coordinate to determine each NCPA Member Customers' total amount of UFLS responsibility, if any, for that twelve month period ("NCPA Member Customer UFLS Share"). Each NCPA Member Customer's NCPA Member Customer UFLS Share shall be calculated by multiplying the NCPA Member Customer's proportionate share (represented as a percentage) of the total historical coincident peak electric load in the PG&E service area, for the prior twelve (12) month period as of the date and time specified by the Planning Coordinator, by the total amount of UFLS requirement allocated by the Planning Coordinator to PG&E, acting as the Transmission Operator. Within thirty days after the Planning Coordinator allocates UFLS obligations, PG&E and each NCPA Member Customer shall coordinate to determine how each NCPA Member Customer shall provide UFLS to meet its NCPA Member Customer UFLS Share requirement. Each NCPA Member Customer shall be responsible for ensuring that it has implemented any necessary changes to its underfrequency relay or other relay equipment as necessary to ensure that it is enabled to provide its NCPA Member Customer UFLS Share by July 1 of each calendar

year, pursuant to Applicable Requirements. Each NCPA Member Customer shall be responsible for ensuring that it maintains equipment necessary for the purpose of UFLS, in conformance with Applicable Requirements.

If a NCPA Member Customer fails to meet any requirement of this Section E.2, PG&E reserves the right to take any measure necessary to satisfy the NCPA Member Customer's NCPA Member Customer UFLS Share, including but not limited to, implementing automatic load shedding to shed or interrupt some or all load of the NCPA Member Customer.

If at any time PG&E does not require any (one or more) NCPA Member Customer to meet its NCPA Member Customer UFLS Share requirement, this shall not waive or excuse any NCPA Member Customer's obligation to satisfy its NCPA Member Customer UFLS Share requirement in that year or at any future date. And any action PG&E takes to satisfy any NCPA Member Customer's NCPA Member Customer UFLS Share at any time shall not create a precedent or obligation that PG&E must take the same or a similar measure in the future.

Notwithstanding any provision of this Interconnection Agreement, including Section 26, if a NCPA Member Customer fails to meet any requirements of this Section E.2, and if PG&E is assessed any financial penalties by the CAISO, WECC, NERC, FERC, or any other applicable authority as a result of such failure to meet Applicable Requirements, the applicable NCPA Member Customer shall be responsible for compensating PG&E for the share of the financial penalties directly attributable to the NCPA Member Customer's failure under this Section E.2.

E.3 Manual Load Shedding

The Parties shall maintain equipment for the purpose of manual load shedding programs in coordination with Applicable Requirements and the Balancing Authority as system conditions warrant.

E.4 Load Restoration

The Parties shall, in conformance with Applicable Requirements and their obligations to the Balancing Authority, coordinate the restoration of load following a system disturbance, and agree to do so in coordination with the Balancing Authority when required.

E.5 Reactive Power

As between PG&E and each NCPA Member Customer, both Parties shall maintain reactive power flow on each of their Electric Systems so that the sum of the reactive flows at the transmission Point(s) of Interconnection between PG&E and that NCPA Member Customer is within the power factor band of 0.97 lag and 0.99 lead. Both Parties will normally operate their respective systems to minimize kVar exchange between them. Operating conditions may require larger than normal kVar exchange between both Parties, and any such exchange will be done in accordance with Good Utility Practice and Applicable Requirements.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE THE
PACIFIC GAS AND ELECTRIC COMPANY
INTERCONNECTION AGREEMENT

=====

WHEREAS, the Northern California Power Agency (NCPA), Pacific Gas and Electric (PG&E), and the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Ukiah, and Plumas Sierra Rural Electric Cooperative are parties to Service Agreement No. 17 under the PG&E Federal Energy Regulatory Commission (FERC) Electric Tariff Volume No. 5 (Interconnection Agreement); and

WHEREAS, the Interconnection Agreement contains the terms and conditions under which the parties coordinate operations of the electrical interconnections between their respective electric systems; and

WHEREAS, the Interconnection Agreement became effective on September 1, 2002, and is set to expire on October 31, 2015; and

WHEREAS, the Interconnection Agreement contains the terms and conditions under which each of the NCPA Member Customer Points of Interconnection will be operated in coordination with PG&E; and

WHEREAS, the Interconnection Agreement also contains several appendices identifying specific procedures associated with dispute resolution and arbitration, requirements for installation of upgraded facilities, billing and payment instructions, and operational coordination requirements – including Underfrequency Load Shedding obligations; and

WHEREAS, while all of the Points of Interconnection covered under the Interconnection Agreement are owned and operated by the NCPA Member Customers, NCPA is a signatory to the Interconnection Agreement due to its role as the NCPA Member Customers' portfolio manager and NCPA shall provide support services to the NCPA Member Customers, including, but not limited to, assisting NCPA Member Customers in performing impact studies and resolving disputes with PG&E; and

WHEREAS, the Interconnection Agreement will become effective on November 1, 2015; will have a term of 10 years; and NCPA, PG&E, and each NCPA Member Customer will be a signatory to the Interconnection Agreement; and

WHEREAS, on June 24, 2015, the Risk Oversight Committee received a report on this agenda item and recommends City Council approval.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the Pacific Gas and Electric Company Interconnection Agreement on behalf of the City of Lodi.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

2015-____



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Joint Exercise of Power Agreement between City of Lodi, Lathrop-Manteca Fire District, City of Manteca, and City of Stockton Creating the San Joaquin County Regional Fire Dispatch Authority (SJCRFDA)

MEETING DATE: July 15, 2015

PREPARED BY: Fire Chief

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute Joint Exercise of Powers Agreement between the City of Lodi, Lathrop-Manteca Fire District, City of Manteca and City of Stockton creating the San Joaquin County Regional Fire Dispatch Authority (SJCRFDA).

BACKGROUND INFORMATION: The City of Stockton retained Management Partners Consulting in 2013 to review and provide recommendations for gaining possible efficiencies in Fire Department Dispatch Services. The December 2013 Management Partners "Stockton Regional Fire Threshold Analysis" (Attachment A) recommended that the City seek regional partnerships in providing fire and emergency dispatch services. Specifically, recommendation #6 of the report recommended the creation of a Joint Powers Authority (JPA) comprised of regional governmental agencies to govern and provide for fire and emergency dispatch services.

The Stockton Fire Department was tasked to survey potential members of a regional fire dispatch joint powers authority (JPA) to determine cost sharing, performance objectives and governance structures that would need to be achieved to contract with the Stockton Emergency Communications Division (ECD) as the provider of fire dispatch operations.

A JPA review and formation group was formed with the fire chiefs from the Lathrop-Manteca Fire District, City of Lodi, City of Manteca, City of Stockton and City of Tracy.

The results of the work performed by the group culminated in the development of the Joint Exercise of Power Agreement between all of the above agencies except the City of Tracy. The City of Tracy is currently evaluating a later entry date into the JPA. If approved by all four governmental agencies, the JPA would be effective 30 days from adoption by all four agencies and after the documents have been filed with the California Secretary of State Office.

It is currently contemplated, and the recommendation from the formation group that the City of Stockton provide contract services to the JPA for emergency and non-emergency dispatch services under an Operational Agreement between the JPA and the City of Stockton. As a part

APPROVED:

Stephen Schwabauer, City Manager

of the Operational Agreement, the City of Stockton will also be the financial entity for JPA business management services.

SUMMARY:

In 2013, the City of Stockton retained Management Partners to review and provide recommendations for gaining possible efficiencies in the Fire

Department Dispatch Services. The December 2013 Management Partners "Stockton Regional Fire Threshold Analysis" recommended that the City seek regional partnerships in providing fire and emergency dispatch services.

A JPA review and formation group was formed with the fire chiefs from Lathrop-Manteca Fire District, City of Lodi, City of Manteca, City of Stockton and the City of Tracy. The group was facilitated by Management Partners, under contract with Lathrop-Manteca Fire District. The JPA review and formation group met over a 10-month period to review the possible benefits of forming a JPA and then develop a governance structure that meets the needs of the regional communications dispatch partnership that conforms to the individual agency requirements for equal representation on the JPA Board of Directors.

The City of Stockton ECD currently provides contract dispatch services to the Lathrop-Manteca Fire District, City of Lodi and City of Manteca. These agencies have been staunch advocates for a regional governance model that provides for the delivery of emergency and non-emergency dispatch services. These agencies desire fair representation in the matters of policy and fiscal decisions. Under the current contract terms, those decision elements are not available to these agencies.

The proposed JPA formation under the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code of the State of California creates a separate governing authority to administer emergency and non-emergency dispatch services for member agencies. The JPA will be a legal public entity that is separate from the City of Stockton and all the member agencies. As a separate public entity, it will be responsible for its own debts, liabilities and obligations. The City of Lodi will be a party to the JPA for a minimum of a ten (10) year period. There are currently four agencies initiating the JPA. The JPA, under a future Operational Agreement with the City of Stockton, would contract to the City of Stockton ECD for dispatch services.

The JPA governance structure provides for equal representation by each of the voting member agencies. The City of Lodi would appoint the Fire Chief as the City Representative to the JPA and Lathrop-Manteca Fire District, City of Lodi, City of Manteca, and City of Stockton would each appoint their fire chiefs as their representatives to the JPA Board. The JPA Board membership will be limited to the four original agencies and can include additional qualifying public agency members such as the City of Tracy, if they are a public agency and meet specific criteria that will be established by the JPA Board. The majority of the JPA Board members must approve any further expansion of the JPA Board. The JPA Board must conform to the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of

California (§§ 54950-54961) and all legal and financial requirements of a governmental agency in the State of California.

The JPA would be responsible to provide emergency and non-emergency dispatch services to member agencies and any contracting entities. The JPA review and formation group will be recommending that the newly formed JPA contract with the City of Stockton to provide emergency and non-emergency dispatch services under an Operational Agreement between the JPA and the City of Stockton. The City of Lodi Fire Department would contract for emergency and non-emergency dispatch services through the JPA as a member agency. The members of the JPA are essentially reimbursing the City of Stockton for the cost of operating the ECD.

The JPA Board could engage additional fire agencies for contract dispatch services. If other agencies become interested, the JPA Board would be responsible to confer with the member agencies to study any cost impacts to providing services to additional agencies. If the additional JPA contracting agencies cause an increase in costs to occur, the JPA would assess appropriate fees to the subsequent contract agencies to provide sufficient funding for those dispatch services.

The City of Stockton retains ownership of the ECD building, communications equipment and employment of the employees working in ECD. The management of the ECD remains with the City of Stockton, under the Fire Department's Fire Chief. The services provided by the ECD to the JPA will be performance based in accordance to the national standards for fire and emergency medical services and standards of the Advanced Life Support Agreement with the San Joaquin County Emergency Medical Services Agency. The ECD Dispatch Center Manager will be the Chief Operating Officer (COO) for the JPA and provide performance reports and business information to the JPA Board.

Once formed, the JPA Board of Directors will form a Transition team to work with the member agencies to develop the formal processes and agreements for an orderly transfer or sharing of any equipment, assets or funds as deemed necessary for the efficient operations of the JPA member organizations.

FISCAL IMPACT:

There are no major costs associated with the approval of the Joint Exercise of Powers Agreement (JPA) (Attachment B). Any initial costs associated with the development of the JPA and the Operations Agreement will be shared by the member agencies as determined and approved by the Board.

The Joint Exercise of Power Agreement (JPA) will be effective thirty (30) days from adoption by all four governmental agencies and after the documents have been filed with the California Secretary of State Office. A San Joaquin County Regional Fire Dispatch Authority (Authority) preliminary budget for the initial fiscal year will be adopted within sixty (60) days after the first meeting of its Board. The budget will include projected revenues and general administrative expenses, operating expenses and necessary reserves of the Authority. Operating revenues

and expenditures will be allocated among members of the Authority in the amounts necessary to cover the annual budget in accordance with a cost-allocation formula adopted by the Board.

Under the proposed Operational Agreement, ECD's operating budget will be the basis of the Authority's annual budget. Additionally, administration and overhead, indirect costs, capital equipment and improvements, contingencies and reserves will be incorporated in ECD's annual budget. Each member and any outside entity's share of contribution to cover the Authority's annual budget will be determined and evaluated annually based on the following cost allocation formula associated with Dispatch Service Calls (DSC):

$$\frac{\text{Total \# of DSC of Member or Entity}}{\text{Total \# of DSC of all Members \& Entities}} = \% \text{ Share of Contribution}$$

This cost allocation formula will allow full payment of costs associated with dispatch services provided to each member or outside entity including the new budget items such as capital equipment. As recommended in the Threshold Analysis Report, if the City of Stockton continues providing Dispatch Services for the SFD and other contracting agencies, significant investment in technology and equipment is necessary to replace and upgrade obsolete and deteriorating dispatch equipment. The FY2015-16 approved ECD budget includes an allocation of approximately \$500,000 for necessary computer dispatch equipment/technology replacement and upgrades. Details of the Operational Agreement and the budget will be presented separately to the Stockton City Council for approval in fall, 2015.

FUNDING AVAILABLE: Fiscal Year 2015/16 budget includes \$225,000 for contracted dispatch services (10041000.72499).

Jordan Ayers
Deputy City Manager/Internal Services Director

Larry Rooney
Fire Chief

**City of Stockton
Stockton Regional Fire Dispatch
Threshold Analysis**

December 2013

**Management
Partners**





December 13, 2013

Mr. Jeff Piechura
Fire Chief
City of Stockton
425 N. El Dorado St
Stockton, CA 95202

Dear Chief Piechura:

Management Partners is pleased to transmit this threshold analysis of regional fire dispatch options as the City of Stockton considers next steps to reduce the General Fund contribution to its fire dispatch operation. The report describes, at a high level, existing options for fire dispatch operations in San Joaquin County. It suggests the major urbanized fire agencies may be interested in the development of an independent joint powers authority (JPA) that would either contract with the City of Stockton for regional fire dispatch services or would take over providing the services. Cost, governance and performance standards would be the most influential factors for moving forward in such an endeavor.

The fire and emergency medical dispatch system in San Joaquin County is characterized by a relatively high level of regional service provision, which is a net benefit from the standpoint of obtaining economies of scale in the delivery of the service. The two major fire dispatch service providers are the City of Stockton, which provides services to the City of Stockton as well as the City of Manteca and four fire districts, and a consortium of users that contract with a dispatch service, LifeCom. LifeCom is owned by the County ambulance service provider, American Medical Response (AMR). The contract with LifeCom is administered by a JPA formed by 16 fire and emergency medical service providers.

There is a fairly significant difference between the two regional providers. Stockton serves a primarily urbanized area with many more total calls for service, and it is a part of a public agency. LifeCom adapted fire dispatch functions from an emergency medical service environment and while it serves more entities than Stockton, they are primarily rural with low call volumes with one exception, the City of Tracy. LifeCom is a private business operating under contract with the County (for emergency medical dispatch) and the JPA for fire dispatch. The Stockton dispatch system services approximately 50,000 calls per year, while LifeCom handles approximately 23,000. There are other differences as well: the Stockton system has adopted and monitors performance standards while LifeCom has not. Costs also differ. Stockton's costs are considerably higher than reported for LifeCom, but LifeCom also benefits from revenue support derived from the AMR ambulance business.

The report concludes there is insufficient information to assess the capability of the current JPA (Joint Radio Users Group or JRUG) to meet the fire call handling dispatch performance requirements that would likely be required by the City of Stockton and the member agencies to whom it currently provides fire dispatch services, as well as relatively more urbanized areas such as Tracy. Based on this analysis Management Partners believes that more urbanized areas may find cooperation with the Stockton regional system to be beneficial. The report recommends that the City conduct further analysis regarding Stockton Fire Dispatch operational technology and capital equipment needs and funding options, as well as staffing costs that would be required for the Stockton Emergency Communications Division (ECD) to serve as a larger regional dispatch operation. Such a step would reduce the City General Fund support of fire dispatch operations between \$400,000 and \$600,000 annually.

Implementation steps would include soliciting letters of interest from potential member agencies. Should sufficient interest be expressed, a working group should be established to confirm technology needs, develop capital and operational cost estimates, recommendations for administrative responsibilities in support of a JPA and an acceptable governance structure. Management Partners estimates that such a work program would require about 18 months for completion.

Management Partners also recommends that the City of Stockton and other larger fire dispatch agencies within the county meet with San Joaquin County Emergency Medical Services (EMS) regarding the next EMS bid process. Regional systems providing both EMS and fire dispatch services are becoming more common as public agencies try to improve cost effectiveness. It is possible that a regional system larger than either JRUG or the Stockton system could emerge from this process, although it would require bridging the difference between dispatching standards, especially regarding fire calls. Participation would also serve to provide transparency regarding the relationship between fire dispatch costs (for 16 local agencies) and ambulance revenues (countywide).

Sincerely,



Gerald E. Newfarmer
President and CEO



Table of Contents

Executive Summary	1
Background	4
Overview of Fire Dispatch in San Joaquin County	4
<i>Stockton Fire Dispatch.....</i>	<i>5</i>
Project Approach.....	8
Interviews.....	8
Documents	9
Peer Agency Comparisons.....	10
<i>Governance</i>	<i>11</i>
<i>Fire Dispatch Performance Standards</i>	<i>12</i>
<i>Peer Agency Budget, Call Volumes and Staffing</i>	<i>14</i>
Regional Fire Dispatch Options.....	17
Stockton ECD Technology and Capital Needs	17
<i>Alternative Stockton Fire ECD Location.....</i>	<i>19</i>
<i>Implications for Regional Fire Dispatch</i>	<i>19</i>
Alternative Fire Dispatch Options.....	21
<i>Option 1: Existing Stockton ECD Semi-Regional Dispatch with Full Cost Recovery from Contract Agencies.....</i>	<i>21</i>
<i>Option 2: New Semi-Regional Fire Dispatch JPA (existing Stockton ECD contract agencies plus the cities of Tracy and Lodi) under contract with Stockton ECD for Fire Dispatch Services</i>	<i>25</i>
<i>Option 3: New Regional Fire Dispatch JPA (Stockton ECD and All County Fire Agencies) 30</i>	
<i>Option 4: Fire Dispatch Services Provided Under Contract with JRUG.....</i>	<i>35</i>
Conclusion.....	39
Attachment – Summary of Recommendations.....	40

Tables

Table 1.	Alternative Fire Dispatch Options Annual Revenue and Expenditure Projections.	2
Table 2.	JRUG Member Agencies	4
Table 3.	Stockton ECD Call Volume FY 2012-13.....	6
Table 4.	Possible Stockton Staffing Structure Under a 12-Hour Shift Schedule.....	7
Table 5.	Regional Peers General Information	11
Table 6.	Regional Peers Governance Structures	11
Table 7.	Dispatch Call Handling Standards	12
Table 8.	Fire Call Handling Standards and Actual Performance for FY 2012-13	13
Table 9.	Emergency Call Volumes and Expenditures.....	14
Table 10.	AMR Emergency Ambulance Rates.....	15
Table 11.	Charges for Calls and Revenue for the Stockton ECD and Peer Agencies	16
Table 12.	Peer Staffing and Workload	16
Table 13.	Additional Operating Costs Needed for Proper Replacement Schedule of Capital Items for ECD.....	18
Table 14.	One-Time Replacement Costs for Current Operations.....	18
Table 15.	Capital Equipment Replacement Needs Prior to Expanding Dispatch Services	20
Table 16.	Current Operations Compared with Option 1 (Existing Stockton ECD Semi-Regional Dispatch with Full Cost Recovery from Contract Agencies)	23
Table 17.	Changes in Cost for Each Participant Under Option 1.....	23
Table 18.	Changes in Call Volumes between Current Operations and Option 2.....	26
Table 19.	Expected Annual Expenditures for Option 2	27
Table 20.	Current Stockton ECD Operations Compared with Option 2 (New Expanded Semi-Regional Fire Dispatch JPA Under Contract with Stockton ECD(with the addition of the Cities of Tracy and Lodi).....	27
Table 21.	Changes in Estimated Participant Costs Under Option 2.....	28
Table 22.	Changes in Call Volumes Between Current Operations and Option 3	30
Table 23.	Expected Annual Expenditures for Regional Fire Dispatch Services.....	31
Table 24.	Current Operations Compared with Option 3 (Regional Fire Dispatch JPA – All County Agencies)	32
Table 25.	Change in Estimated Participant Costs Under Option 3.....	33
Table 26.	Current Operations Compared with Option 4.....	36

Figure

Figure 1. Percent of Calls vs. Revenue Support for Stockton ECD..... 22

Executive Summary

Management Partners was retained in FY 2011-12 to assist with the project management of the City of Stockton's pre-bankruptcy mediation proceedings. The contract was subsequently amended to include providing assistance in managing the City's bankruptcy proceedings. As part of this contract, we were also tasked with reviewing the City's operations to identify direct cost savings opportunities and streamlining and efficiency improvements which would result in savings or a reallocation of resources when implemented. In June 2013, the City Manager conveyed a range of recommendations to the Stockton City Council, which included the following recommendation as a possible path to reduce City fire dispatch costs:

Authorize the initiation of discussions with San Joaquin fire agencies, the existing JPA (Joint Radio Users Group – JRUG), San Joaquin County and other local regional fire dispatching agencies to determine the feasibility, costs, parameters and efficiencies of participation in an existing or new entity to provide fire dispatch services to the City.

The City Council approved the recommendation and Management Partners (in consultation with City fire staff) initiated a review and threshold analysis of regional dispatch options. This report presents the results of this analysis as well as four recommendations regarding next steps for the City of Stockton Fire Emergency Communications Division (Stockton ECD).

During our review and analysis, we met with representatives of various fire agencies throughout San Joaquin County, County Emergency Management Systems (EMS), the Joint Radio Users Group (JRUG) Executive Board, LifeCom (the American Medical Response affiliate responsible for providing dispatch operations to JRUG) and City communications staff from both the Fire and Information Technology Departments.

Important themes and issues emerged from these interviews which have informed this threshold analysis and our recommendations. While we did

not meet with every county fire agency or conduct a formal survey regarding fire dispatch performance, the following perspectives obtained through our interviews and discussion with the larger, more urban fire agencies will influence the eventual course to be pursued by the City of Stockton Fire Department.

1. There were varying opinions among fire agencies (JRUG members and non-members) regarding the performance of LifeCom (under contract with JRUG) as a fire dispatch operation. Neither JRUG nor LifeCom provided fire call handling performance information. Some believed the performance to be satisfactory to their needs, while others did not believe that LifeCom provided experienced fire dispatch personnel sufficient to meet the performance required of urban fire dispatch operations.
2. Some fire agencies expressed strong interest in pursuing an alternative regional fire dispatch option even if the costs were greater than those of JRUG, but only through an independent joint powers authority where they could participate equitably in operational and governance considerations.
3. The City of Stockton would need to invest significantly in technology and equipment upgrades to provide expanded regional fire dispatch operations beyond its current member agencies. However, a financial strategy for accomplishing this through potential assistance or reimbursements from an expanded semi-regional fire dispatch agency (JPA) under contract with Stockton ECD could likely be achieved.

Table 1 summarizes the four options identified in this threshold analysis and compares them with current operations.

Table 1. *Alternative Fire Dispatch Options Annual Revenue and Expenditure Projections*

Fire Dispatch Options	Total Operating Budget	Revenue	General Fund Support ²	Estimated Net Change from Current General Fund Support
Existing Semi-Regional Fire Dispatch by Stockton ECD	\$2,268,496	\$371,342 ¹	\$1,897,154	N/A
Option 1 Existing Semi-Regional Dispatch with Full Cost Recovery from Contract Agencies	\$2,333,778	\$648,440 ³	\$1,685,338	(\$211,816)
Option 2 New Semi-Regional Fire Dispatch JPA under contract with Stockton ECD (existing Stockton member agencies plus the Cities of Tracy and Lodi)	\$2,572,811	\$1,074,331 ⁴	\$1,498,480	(\$398,674)

Fire Dispatch Options	Total Operating Budget	Revenue	General Fund Support ²	Estimated Net Change from Current General Fund Support
Option 3 New Regional Fire Dispatch JPA under contract with Stockton ECD (Stockton ECD and All County Fire Agencies)	\$2,866,985	\$1,567,398 ⁴	\$1,299,587	(\$597,567)
Option 4 Fire Dispatch Services Provided Under Contract with JRUG	\$751,124	\$78,221	\$672,903	(\$1,224,251)

¹Revenue for “existing operations” comes from charges per call and from an assessed value formula for services provided.

²General Fund Support is the net cost to Stockton’s General Fund.

³Revenue for Option 1 is obtained by calculating the full cost of providing service to contract agencies per call and charging that amount.

⁴Revenues for Options 2 and 3 are calculated by charging the full cost per call for all member agencies of a new JPA except for Stockton whose costs are captured in the General Fund Support column.

Each of these options is described in more detail in the section of this report entitled Alternative Fire Dispatch Options. This threshold analysis suggests that if the City of Stockton is not prepared to accept the fire call handling dispatch operational performance provided by LifeCom under contract with JRUG, then Management Partners recommends the following next steps:

1. Improve the current Stockton ECD operation by increasing the annual allocation to the internal service fund (ISF), which supports fire communications needs.
2. Ensure full cost recovery from existing Stockton ECD member agencies by increasing the costs per call to reflect the true cost of providing the service.
3. Complete an in-depth technology and equipment analysis to determine the financial investment that would be required for Stockton ECD to serve as regional dispatch provider under contract with an independent JPA.
4. Formally survey potential members of a regional fire dispatch joint powers authority (JPA) to determine cost and performance objectives that would need to be achieved in order to contract with Stockton ECD as the provider of fire dispatch operations.

Background

Overview of Fire Dispatch in San Joaquin County

Prior to 2006, the City of Stockton provided fee-based dispatching services for all fire agencies and ambulance services in the San Joaquin County from their fire dispatch facility. As dispatching fees from the City continued to rise, a majority of the fire agencies in San Joaquin County migrated to the LifeCom operation for a much lower cost than they were paying the City of Stockton. The fire agencies formed JRUG, a JPA to handle dispatch billings to each agency and to make a single monthly payment to LifeCom on their behalf. JRUG also handles all radio infrastructure maintenance and purchasing via a \$5.00 per emergency call assessment. LifeCom currently provides fire and EMS dispatching for the following 16 agencies. Table 2 provides an overview of each agency in JRUG.

Table 2. *JRUG Member Agencies*

JRUG Member Agency	Form of Government	Staffing	Ambulance Service Provider
City of Tracy Fire Department ¹	Municipal Fire Department	Full-time Staff	AMR
Clements Rural Fire Protection District	Fire Protection District	Volunteer	AMR
Collegeville Rural Fire Protection District	Fire Protection District	Volunteer	AMR
Escalon Consolidated Fire Protection District	Fire Protection District	Combination	Escalon Community Ambulance
Farmington Fire Protection District	Fire Protection District	Volunteer	Escalon Community Ambulance
French Camp-McKinley Fire Protection District	Fire Protection District	Combination	AMR
Lathrop-Manteca Fire Protection District	Fire Protection District	Combination	Manteca District Ambulance Service
Liberty Rural County Fire Protection District	Fire Protection District	Combination	AMR
Linden-Peters Rural County Fire Protection District	Fire Protection District	Combination	AMR

JRUG Member Agency	Form of Government	Staffing	Ambulance Service Provider
Manteca District Ambulance Service	Non-Profit	Volunteer	Manteca District Ambulance Service
Mokelumne Rural County Fire District	Fire Protection District	Combination	AMR
Montezuma Fire Protection District	Fire Protection District	Combination	AMR
Ripon Consolidated Fire Protection District	Fire Protection District	Combination	Ripon Consolidated Fire Protection District
Thornton Rural Fire Protection District	Fire Protection District	Combination	AMR
Waterloo-Morada Rural County Fire Protection District	Fire Protection District	Full-time Staff	AMR
Woodbridge Rural County Fire Protection District	Fire Protection District	Full-time Staff	AMR

Source: LAFCo 2011 MSR Rural Fire Protection Districts San Joaquin County report

¹Tracy provides fire protection services to the community of Mountain House and the Tracy Rural Fire Protection District.

Of the 16 JRUG member agencies, 14 are Fire Protection Districts, of which:

- Two use full-time staff,
- Three use volunteer firefighters, and
- Nine use a combination staffing structure of both paid full-time employees and volunteer firefighters.

Stockton Fire Dispatch

Stockton’s fire dispatch center was constructed in 1995 and was designed as a regional dispatch center, with seven workstations for call takers, dispatchers, and a supervisor. The center dispatches over 49,000 incidents per year and uses up to four workstations at a time. The Stockton ECD also performs afterhours dispatching for the City’s Municipal Utilities Department.

Stockton ECD provides fire dispatch services for the cities of Stockton and Manteca and the following four contract fire districts.

- Boggs Tract Fire Protection District,
- Eastside Rural County Fire Protection District,
- Lincoln Rural County Fire Protection District, and
- Tuxedo-Country Club Fire District.

Each of the districts has a standing contract with the City of Stockton for fire protection and dispatch services. The contract has no end date and

can only be terminated with a five-year notice. The contract with the City of Manteca can be terminated with a 30-day notice.

The ECD is located at 110 W. Sonora Street (Fire Company No. 2). All of the other fire agencies in San Joaquin County, with the exception of Lodi, contract with JRUG. JRUG’s operator, LifeCom is owned and operated by AMR, which also provides ambulance transport services for most, but not all of the County.

The Lodi Police Department has provided fire dispatch services to the Lodi Fire Department since 2009 after transitioning from Stockton ECD. The Fire Department serves a population of approximately 63,000.

LifeCom is required by the County Emergency Medical Services Agency (EMSA) to perform emergency medical dispatch (EMD). However, Stockton’s ECD performs the dispatching of fire apparatus to fire and EMS calls (if required), but they do not dispatch ambulances (with rare exceptions). The breakdown of calls handled by Stockton’s ECD for each entity is listed in Table 3.

Table 3. *Stockton ECD Call Volume FY 2012-13*

Jurisdiction	Medical Calls ¹	Non-Medical Calls ²	Total Calls	Percent of Total Calls
City of Stockton Fire Department	28,929	6,883	35,812	72.2%
Stockton Municipal Utilities Department	0	3,935	3,935	7.9%
Boggs Tract Fire Protection District	63	14	77	0.2%
Eastside Rural County Fire Protection District	1,851	528	2,379	4.8%
Lincoln Rural County Fire Protection District	635	184	819	1.7%
City of Manteca	3,968	1,759	5,727	11.5%
Tuxedo-Country Club Fire District	702	140	842	1.7%
Total	36,148	13,443	49,591	100.0%

¹ Medical calls are EMS-related calls to which fire paramedics and equipment are dispatched.

² Non-medical calls are fire suppression or other non-EMS related calls.

The data in Table 3 include calls that are related to fire and EMS incidents to which fire personnel and equipment are dispatched. The majority of these calls (72.2%) are attributable to the dispatch of the Stockton Fire Department.

Stockton ECD Staffing

To respond to 49,591 calls per year, Stockton currently has 14 authorized full-time equivalent (FTEs) employees in the ECD. The ECD currently operates on a 24-hour shift schedule, but is considering the benefits of migrating to a 12-hour shift schedule. Stockton staff estimates that it may be possible to transition to a 12-hour shift schedule with no change in service level or staffing levels. Table 4 provides a listing of a possible staffing structure under a 12-hour shift schedule.

Table 4. Possible Stockton Staffing Structure Under a 12-Hour Shift Schedule

Staff	Current Operations (12 hour shifts)
Fire Telecommunications Supervisors	4
Fire Telecommunicator II	10
Total FTEs	14

The staffing level for 12-hour shifts would allow for four shifts with:

- One supervisor per shift,
- Two fire telecommunicator positions per shift
- Two floater fire telecommunicator positions

Current response times (performance levels) are discussed later in this report. Staff does not estimate that they would change as a result of a transition from a 24-hour to a 12-hour shift schedule.

Project Approach

Two primary parameters, cost and performance, were considered when we analyzed fire dispatch options for the City of Stockton. While cost is a critical factor, another is the level of service Stockton might receive for the price it is willing to pay if it contracts with another entity for fire dispatch. This section describes our approach to gathering information, which informed our recommendation and analysis, as well as a brief comparison of Stockton's ECD and selected peers.

Interviews

The scope of this project did not provide for interviews or surveys of every stakeholder who may have an interest in fire dispatch in San Joaquin County. Rather, we focused on a select number of interviews in order to provide an overview of dispatch options and factors which will need to be considered by the City of Stockton. Interviews included the following:

- General Manager, San Joaquin County Operations & LifeCom Communications (AMR)
- Director of Communications – EMS & Fire Dispatch (AMR)
- Ripon Fire District Fire Chief (JRUG Executive Board)
- Montezuma Fire District Fire Chief (JRUG Executive Board)
- Mokelumne Rural Fire District Fire Chief (JRUG Executive Board)
- City of Tracy Fire Division Chief
- City of Manteca Fire Chief and Battalion Chief
- City of Lodi Fire Chief
- San Joaquin County EMS Administrator
- Director, Redwood Empire Dispatch Communications Authority (REDCOM) Fire & EMS Dispatch (AMR)
- City of Stockton Fire Chief and ECD staff
- City of Stockton Police Department and Information Technology Department staff

General themes that emerged as a result of the interviews included:

1. Varying opinions about the performance of LifeCom as a fire dispatch operation. Some entities (typically smaller fire districts) expressed satisfaction with their fire dispatch performance, while larger entities with more active or complex fire dispatch needs believed LifeCom did not provide the depth of experience required to meet their performance standards.
2. General concerns about the training of LifeCom dispatching personnel in fire call handling and the lack of in-depth knowledge of San Joaquin County geography required to support fire dispatch.
3. Receptivity by the JRUG Executive Board and LifeCom to meeting with Stockton and discussing the provision of fire dispatch to the city. Specific terms and conditions were not discussed, although there was agreement that the current costs of service would be the same for Stockton through the end of the current contract with LifeCom in 2016.
4. A lingering, and in some cases, strong distrust of the City of Stockton based on the regional dispatch service provided by the City until 2006. The distrust was not based on service, but rather on cost, governance, and interagency communication.
5. Strong interest by some of the larger fire agencies in not joining JRUG for fire dispatch services based on unsatisfactory views of LifeCom performance, experience, and lack of responsiveness to improve operations, in spite of the lower cost.
6. Interest by some of the larger fire agencies in possibly contracting with Stockton Fire for fire dispatch services through a JPA, depending on cost and governance considerations.

Documents

Management Partners reviewed a range of documents as part of our analysis, including:

- Fire dispatch standards, locally and nationally
- City of Stockton ECD budget and fire call handling performance
- San Joaquin County Local Agency Formation Commission (LAFCo) Municipal Services Review regarding rural fire protection districts
- Grand Jury Reports regarding emergency dispatch protocol in San Joaquin County
- San Joaquin County EMS policies

- REDCOM FY 2013-14 Annual Budget and actual fire call handling performance measures
- REDCOM JPA Agreement
- REDCOM fire/EMS dispatch contract with AMR
- JRUG Annual Budget
- JRUG JPA Agreement
- JRUG Contract and addendum for dispatch services with AMR/LifeCom
- AMR/LifeCom contract with San Joaquin County for EMS dispatch

Management Partners requested fire dispatch performance measures, staffing information, and budget information regarding the actual cost of providing dispatch services from LifeCom; however, none of the information was provided.

Peer Agency Comparisons

To help inform our analysis, Management Partners sent a survey to the following agencies to gather basic fire dispatch budget, performance and staffing information.

- Joint Radio Users Group (JRUG)
- Redwood Empire Dispatch Communications Authority (REDCOM) – A JPA located in Sonoma County under contract with AMR to provide fire and EMS dispatch services to 31 agencies including cities, fire protection districts, community service districts providing fire protection services, and public and private ambulance providers.
- Sacramento Regional Fire EMS Communications Center (SRFECC) – A JPA providing EMS and Fire dispatch with public employees to nearly all of Sacramento County and parts of Placer County.
- Stanislaus Regional 911 (RS911) – SR911 is a JPA between the City of Modesto and Stanislaus County which provides Fire and law enforcement dispatch services to 22 agencies within the County. SR911 is staffed by public Employees from Stanislaus County.
- Santa Cruz Regional 911
- Alameda County Regional Emergency Communication Center.

Santa Cruz Regional and Alameda County Regional declined to participate and JRUG provided only partial responses.

Table 5 provides general peer information from the responding agencies.

Table 5. *Regional Peers General Information*

Key Indicators	Stockton	JRUG	REDCOM	SRFECC	SR911
Service Population	407,383	220,189	480,000	1,366,444	404,716
Governance Model	Municipal	JPA	JPA	JPA	JPA
In-house or Contracted Operations	In-house	Contracted	Contracted	In-house	In-house
Private or Public Employees	Public	Private	Private	Public	Public
Service Calls Dispatched	Fire	Fire	Fire, EMS	Fire, EMS	Fire, Police, Sheriff
Fire Dispatch Performance Standards?	Yes	No	Yes	No	No

Two peer agencies (SRFECC and SR911) perform dispatch services in-house with public employees. The other two peer agencies (JRUG and REDCOM) provide dispatch services through a contract with AMR, who uses non-public employees to provide dispatch services. Of the four peers, only REDCOM has adopted and therefore reported performance standards for fire call handling.

Governance

Each peer agency analyzed is governed slightly differently in terms of cost recovery methodology and governance structure. Table 6 describes the differences among the peer agencies.

Table 6. *Regional Peers Governance Structures*

Agency	Cost Recovery Methodology and Governance Structure
Stockton	<p>Cost Recovery: ECD receives support from the City’s General Fund and charges different cost per call rates for EMS and non-EMS related calls. Some agencies pay for fire dispatch along with other services provided by the City of Stockton through a calculation involving a portion of ad valorem revenue.</p> <p>Governance Structure: Stockton provides fire dispatch through a contract to other agencies. The City is responsible for operational decisions about fire dispatch.</p>
JRUG	<p>Cost Recovery: JRUG charges member agencies separate rates for fire dispatch and EMS calls in addition to a flat fee per call based on a contract negotiated with LifeCom (AMR). (AMR management acknowledges that ambulance revenues offset some portion of fire dispatch costs.)</p> <p>Governance Structure: JRUG is a JPA that contracts fire dispatch services through AMR/LifeCom. The Board consists of one representative (a director) from each member agency. Each director has one vote when determining policy decisions.</p>
REDCOM	<p>Cost Recovery: REDCOM charges the same cost per call rate for all calls dispatched to each member agency of the JPA. REDCOM also levies a tiered base fee determined by the annual call volume of each member agency. (REDCOM contracts with AMR for fire and EMS dispatch.)</p> <p>Governance Structure: REDCOM is governed by a seven member Board of Directors with a complex representation structure from member agencies.</p>

Agency	Cost Recovery Methodology and Governance Structure
SRFECC	<p>Cost Recovery: SRFECC member agencies divide operating costs based upon each respective agency’s percentage share of call volume.</p> <p>Governance Structure: SRFECC provides a weighted vote for member agencies in policy decisions equivalent to the percentage of overall call volume.</p>
SR911	<p>Cost Recovery: The JPA between the City of Modesto and Stanislaus County splits dispatching costs based on population. The County made separate agreements with five contracting cities (“cost-sharing members”) to split their dispatching costs by charging them 25% based on population and 75% on incident count/call volume. The County discounts these five contracting cities 11.6% for their fire dispatch. Also, SR911 has separate contracts with Oakdale City Fire and the County’s Probation Department.</p> <p>Governance Structure: SR911 is administered and governed by a seven-member Commission composed of elected and appointed officials from Stanislaus County and the City of Modesto.</p>

The differences in cost recovery methodologies and governance structures within the peer group offer many alternatives. If Stockton were to become a regional fire dispatch operation through a JPA, new members would need to consider which of these options (or any combination thereof) would work best for them.

Fire Dispatch Performance Standards

Management Partners found several organizations that support emergency dispatch. However, there were only three that readily publish dispatch call handling standards. The organizations and some related standards are listed in Table 7.

Table 7. *Dispatch Call Handling Standards*

Organization	Standard
National Fire Protection Association (NFPA)	<ul style="list-style-type: none"> • 95% of alarms received on emergency lines shall be answered within 15 seconds • 99% of alarms received shall be answered within 40 seconds • 80% of emergency alarm processing shall be completed within 60 seconds • 95% of alarm processing shall be completed within 106 seconds
National Emergency Number Association (NENA)	<ul style="list-style-type: none"> • 90% of all 911 calls arriving at the Public Safety Answering Point (PSAP) shall be answered within 10 seconds during the busiest hour (the hour each day with the greatest call volume) • 95% of all 911 calls should be answered within 20 seconds
California 9-1-1 Emergency Communications Division	<ul style="list-style-type: none"> • 100% of 911 calls shall be answered within 10 seconds during the busiest hour of any shift

Note: NFPA has more detailed standards than those listed in this table; however they are not relevant to the scope of this project.

Among the agencies included in this report, only Stockton and REDCOM provided standards and actual performance. SRFEC and SR911 reported that they do not track performance of fire dispatch call handling. JRUG indicated that fire dispatch standards are currently being considered; however, none were adopted at the time of our research. Table 8 lists the standards and measures for fire call handling for Stockton and REDCOM.

Table 8. *Fire Call Handling Standards and Actual Performance for FY 2012-13*

Agency	Performance Standard and Actual Performance
Stockton ECD¹	Goal: 90% of emergency alarms processed shall be within 60 seconds Actual: 93.9% of emergency alarms processed within 60 seconds Goal: 95% of emergency alarms processed shall be within 90 seconds Actual: 97.3% of emergency alarms processed within 90 seconds
REDCOM	Goal: 90% of emergency alarms processed shall be within 70 seconds ² Actual: 93% of emergency alarms processed within 60 seconds Goal: 100% of 911 calls shall be answered within 10 seconds ³ Actual: 99.3% of 911 calls are answered within 10 seconds

¹ Stockton's performance standards are based on NFPA standard 1221, section 7.4.2. In 2013, NFPA updated their goals. While Stockton has not updated their goals to match this change, their percentage of meeting goals would increase due to the standard being less stringent.

² This standard is loosely based on NFPA 1221

³ This standard is based on California 911 Emergency Communications Division

In FY 2012-13 the Stockton ECD exceeded both the 60 and 90-second thresholds for call processing performance standards. REDCOM exceeded its goal of processing alarms but barely fell short of answering all calls within its goal of 10 seconds. These data indicate that Stockton ECD is currently operating at or above nationally recognized standards for fire call handling and on par with at least one peer agency.

As mentioned previously, JRUG has not adopted fire call handling standards nor has LifeCom published or provided actual performance. As a result, it is not possible to compare the standard of service that would be lost or gained if Stockton were to join JRUG and contract with AMR for fire dispatch services.

The complexity of fire dispatching varies greatly between urban and rural areas. Fire dispatch in an urban environment is more likely to have higher call volumes, multiple and simultaneous responses, more complex responses often requiring coordinated action with law enforcement, specialized knowledge when dispatching in response to a hazardous materials spill, and multi-level structure fires. Rural fire dispatch, on the

other hand, typically experiences lower call volumes, fewer simultaneous apparatus responses, and less complexity regarding the type of structures requiring fire suppression. As a result, fire dispatchers in urban areas need additional training and more in-depth experience to provide and meet the performance expected by fire agencies in that type of environment.

Peer Agency Budget, Call Volumes and Staffing

Table 9 provides an overview of call volumes and expenditure data for the Stockton ECD and regional dispatch peer agencies. Call volumes listed below include calls related to fire and EMS incidents to which fire protection agencies were dispatched. SR 911 call volumes are much higher as they include law enforcement dispatch in addition to fire.

Table 9. *Emergency Call Volumes and Expenditures*

Key Indicators	Stockton	JRUG	REDCOM	SRFECC	SR911
Total Operating and Capital Budget	\$2,268,496 ¹	\$441,996 ²	\$3,297,344	\$8,003,132	\$8,276,476
Total Call Volume³	49,591 ⁴	23,454	82,176	166,625	328,162 ⁵
Cost per Call Estimate⁶	\$45.74	\$18.85 ⁷	\$40.13	\$48.03	\$25.22

¹ Stockton ECD FY 2013-14 adopted budget
² JRUG’s operating and capital budget is reflective of the JPA’s operating expenditures, but not AMR’s actual operating costs.
³ Call volumes include all calls handled by each dispatch center except for JRUG which include only fire related dispatch calls
⁴ Stockton’s call volume includes dispatch calls (fire and non-medical) for the City of Manteca, four fire protection districts, and Stockton’s Municipal Utilities Department.
⁵ SR911 dispatches fire and law enforcement, but not EMS.
⁶ Cost per call is an estimate calculated by dividing an agency’s annual budget by the annual call volume.
⁷ JRUG does not charge \$18.85 per call for all member agencies. This cost per call is an estimate calculated by dividing the total budget by the total call volume.

The “cost per call” should not be considered equivalent to the actual “charge per call” by a particular agency. For illustrative purposes, the “cost per call” is the amount estimated to provide dispatch service by a regional agency for each phone call based on the total budget divided by the total call volume. The “charge per call” would be the actual amount an agency bills for each call. These amounts are not always the same due to a number of factors including not charging for full cost recovery and differing methods of determining reimbursement for services. For the purposes of this study, we divided total budgets by total call volume (as described above).

Stockton’s estimated cost per call of \$45.74 is between REDCOM’s and SRFECC’s cost per call of \$40 and \$48, respectively. SR911’s estimated cost per call (\$25.22) is much lower mainly due to the significantly higher

call volume and a relatively small staff (for the volume of calls handled). See Table 12 for staffing detail.

JRUG’s cost per call estimate (\$18.85, calculated by dividing the operating budget by total call volume) is the lowest of the peers but it does not reflect the actual LifeCom operational budget for providing fire dispatch services to JRUG. Their budget was not provided to Management Partners.

Management Partners believes that the cost per call estimate obviously does not reflect the true cost of fire dispatch service as AMR likely supports and offsets fire dispatch operating costs through its San Joaquin County EMS contract. Table 10 lists the difference in ambulance transport rates between Sonoma and San Joaquin counties, both provided by AMR. It also provides the ambulance rates for the other two peer agency counties.

Table 10. AMR Emergency Ambulance Rates

Rates	Sonoma County	San Joaquin County	Difference
Basic Life Support (BLS) Rate	\$1,239.62	\$1,733.89	40%
Advanced Life Support (ALS) Rate	\$1,600.59	\$2,033.15	27%
Mileage (per mile)	\$34.54	\$43.14	25%
Night Charge	\$107.20	\$143.44	34%
Emergency Charge	\$176.55	N/A	N/A
Oxygen Charge	\$149.98	\$126.90	-15%
Average Difference			22%

On average, AMR’s San Joaquin County rates are 22% higher than in Sonoma County although there may be some regional cost differences that account for this. As noted in Table 6, these significantly higher rates, combined with the seemingly unsustainable, low cost for fire dispatch charged to JRUG by AMR (see charges listed in Table 11) indicate that ambulance revenue is offsetting fire dispatch costs for JRUG members. Stockton residents transported by AMR are therefore helping subsidize fire dispatch operations for JRUG members through their ambulance rates.

The support of fire dispatch operations from ambulance transport fees is not unique however. For example, RECDOM staff indicated that AMR initially subsidized fire dispatch operations in Sonoma County in the amount of about \$600,000 annually. However, that subsidy is no longer

in effect and the result is a charge for full cost recovery. The current charge per call for fire and EMS dispatch for REDCOM members is approximately \$57.

Charges for calls and associated revenue for the Stockton ECD and its peers are listed in Table 11.

Table 11. *Charges for Calls and Revenue for the Stockton ECD and Peer Agencies*

Key Indicators	Stockton	JRUG	REDCOM	SRFECC	SR911
Charge per Call to Member Agencies	\$10.75 Medical \$21.49 Non-Medical	\$10.95 EMS \$21.90 Fire	\$57 ¹	N/A ²	N/A ³
Annual Revenue	\$371,342	\$448,215	\$3,178,763	\$8,003,132	\$7,543,189

¹ REDCOM's charge per call is calculated using a five-year average of call volume and total budget subsidized with reserves.

² SRFECC does not track or charge a cost per call to member agencies. Operating cost contributions are a pro-rata share of the total call volume and total operating costs.

³ SR911 does not track or charge a cost per call. SR911 uses a complex cost-sharing methodology for participating agencies to recoup operating costs. This cost per call calculation was based upon the FY 2012-13 operating budget and total call volume, including the influx of law enforcement calls.

Table 12 identifies total call volume and staffing for the Stockton ECD and its peers.

Table 12. *Peer Staffing and Workload*

Call Volume/Staff	Stockton	JRUG	REDCOM	SRFECC	SR911
Total Call Volume	49,591	23,454	82,176	166,625	328,162
Call-Taker FTEs	N/A	-	N/A	6	3
Dispatcher FTEs	10	-	20	30	36
Supervisor FTEs	3	-	5	7	4
Total FTEs processing calls¹	14 ²	-	25	43	43
Calls per staff per year	3,542	-	3,287	3,875	7,632

Note: "N/A" = Not Applicable; Hyphen (-) = Information not available

¹ Call takers, dispatchers and supervisors all process calls.

² Stockton's FTE count is based on a possible change to a 12-hour shift schedule instead of their current 24-hour shift schedule.

Similar to the cost per call, workload for Stockton is on par with REDCOM and SRFECC. Workload for SR911 is much higher due to higher call volume and relatively small staff. JRUG did not provide staffing information and therefore their workload could not be determined.

Regional Fire Dispatch Options

As a follow-up to the City Council's direction to look at efficiencies to be gained from contracting with JRUG to reduce fire dispatch costs, Management Partners analyzed additional fire dispatch models with the goal of identifying those that would save operating costs and still provide a level of service acceptable to the City and the community. In conjunction with City fire staff, the following options were identified for further analysis:

1. Existing Stockton ECD semi-regional dispatch with full cost recovery from contract agencies,
2. New expanded semi-regional fire dispatch JPA under contract with Stockton ECD to provide services to existing contract agencies with the addition of the cities of Tracy and Lodi,
3. New regional fire dispatch JPA under contract with Stockton ECD to provide fire dispatch to all County fire agencies, and
4. Fire dispatch services provided by JRUG to Stockton ECD.

Options 2 and 3 include costs to provide administrative and management support of a JPA by the City of Stockton. These costs were used because salary and benefit data were readily available; however, such support could be provided by any JPA member agency.

Stockton ECD Technology and Capital Needs

Should Stockton choose to retain its ECD, according to City and Police technology staff, technology and equipment needs must be addressed within the next two to three years. Not doing so will risk even higher costs or possibly equipment failure. The ECD operates with a variety of technical machinery and equipment ranging from computer-aided dispatch (CAD) equipment, radio systems, alerting systems and telephone systems. Internal service funds (ISF) primarily support these systems funded by annual allocations from the Stockton Fire Department. Of course, allocations have been insufficient over the last several years as a result of the City's financial issues and bankruptcy.

Management Partners worked with Stockton ECD and the Information Technology Department to determine which capital assets were not receiving enough annual funding to be replaced at the appropriate time. Table 13 lists those items and the additional resources needed to meet the proper replacement schedule to maintain fire dispatch equipment and technology.

Table 13. *Additional Operating Costs Needed for Proper Replacement Schedule of Capital Items for ECD*

Equipment and Technology	Annual Cost
CAD Workstations	\$2,100
Replace Motorola Gold Elite Radio System with IP-Based Radio System	\$36,364
Zetron Alerting System¹	\$6,818
Telephone System	\$57,143
Logysis CAD Software and Server	\$20,000
Total (Net Telephone System)	\$65,282

¹The Zetron Alerting System total cost for replacement is \$150,000, but only 50% of the cost is the responsibility of the ECD.

To maintain a proper replacement schedule for capital equipment, City staff estimates that the ISF requires additional funding of about \$65,282 annually. Once the replacement schedule is back on track, this will ensure that equipment is replaced before the useful life has been exceeded.

In addition to ensuring adequate funding on an ongoing basis, additional one-time funds will be needed by 2016 to replace the Motorola Gold Elite Radio System with an IP (Internet Protocol)-based radio system. The current system is over 10 years old and in 2016 it will no longer be supported by the vendor. In addition, the Sheriff has already upgraded to an IP system and can only communicate with Stockton on one older system it left in place for that purpose. Eventually however that system will be eliminated.

The City will also need to replace the CAD workstations and telephone system in the next few years; however since the ISF is not sufficient for the replacement when these systems reach end of life status, additional one-time amounts will be needed to purchase these systems. The estimated amounts to replace these systems are listed below in Table 14.

Table 14. *One-Time Replacement Costs for Current Operations*

Equipment and Technology	Total Replacement Cost
5 CAD Workstations	\$16,665
Replacement of the Motorola Gold Elite Radio System¹	\$350,000
Telephone System	\$200,000 to \$400,000
Total	\$566,665 to \$766,665

¹ The replacement of the Motorola Radio system is estimated to be \$50,000 per system and \$100,000 for the “switch” that allows them to communicate.

The equipment detailed above would allow Stockton to continue current operations without adding capacity.

Recommendation 1. Confirm technology replacement schedule needs and funding requirements and increase the annual allocation to the internal service fund.

Alternative Stockton Fire ECD Location

As part of our analysis, Management Partners had an opportunity to tour the new Police Dispatch Center located at the Stuart Eberhardt Building (SEB). This modern facility was in stark contrast to the existing Fire ECD in terms of ambience, layout, and functionality. While outside the scope of this analysis, there appeared to be space available to house the Fire ECD in an alternative location which would provide a much better environment for fire dispatch employees as well as opportunities for cross-training, and efficiencies regarding initial call-taking and supervisory oversight. If the Police Department agreed that space was indeed available and there were efficiencies to be achieved, the capital costs for moving the Stockton ECD to this facility would need to be analyzed and estimated. This would likely also have to include the cost of maintaining a secondary emergency operations back-up center at Fire Station 1.

Recommendation 2. Analyze the costs and benefits of moving the Fire ECD to the Police Dispatch Center in conjunction with any steps to implement a regional fire dispatch operation.

Implications for Regional Fire Dispatch

While the ECD must invest an additional \$65,282 annually (Table 13) to keep up with the replacement schedule, any plans for further regionalization will require an investment of \$670,000 to \$870,000 to purchase the necessary equipment needed to handle the increased call volume and service area.

Table 15 lists the immediate capital needs and associated costs necessary to support regional fire dispatch services, as provided by Stockton staff.

Table 15. *Capital Equipment Replacement Needs Prior to Expanding Dispatch Services*

Equipment and Technology	Total Replacement Cost
Seven CAD Workstations	\$20,000
Replacement of the Motorola Gold Elite Radio System ¹	\$450,000
Telephone System	\$200,000 to \$400,000
Total	\$670,000 to \$870,000

¹The replacement of the Motorola Radio system is estimated to be \$50,000 per system and \$100,000 for the “switch” that allows them to communicate.

This amount of up-front funding will be hard to find within the current Stockton budget environment and may present a significant obstacle to pursuing a regional fire dispatch JPA with services provided by the Stockton ECD. However, if funding can be obtained, the agencies joining the JPA should share in the cost based on their respected workload (call volume). This would reduce the overall burden on Stockton’s General Fund to meet these needs.

Recommendation 3. Develop a detailed regional fire dispatch technology needs assessment and funding plan prior to entering into discussions with potential JPA member agencies.

Radios and Connectivity

Another challenge to establishing Stockton ECD as a regional fire dispatch operator involves radios and information connectivity. While Lodi’s Fire Department has their own radios, Tracy would need to return their radios to JRUG as JRUG owns this equipment. The number of radios needed and the cost of each radio is unknown as it was beyond the scope of this analysis.

In addition to radios, direct internet connectivity between Stockton’s ECD and additional fire stations would need to be established. These connections allow the secure transmission of CAD and reporting data between the dispatch center and each fire station. This additional cost would also need to be analyzed and verified for each station before offering services beyond Stockton’s current ECD members.

Recommendation 4. Conduct an inventory of radio and connectivity requirements to enable Stockton ECD to service as a regional dispatch center. Assistance from potential JPA member agencies will be required to do so.

Recommendations two and three would only be initiated if the City of Stockton receives sufficient interest and support for leading a regional dispatch model governed by a JPA in which Stockton ECD would provide fire dispatch services.

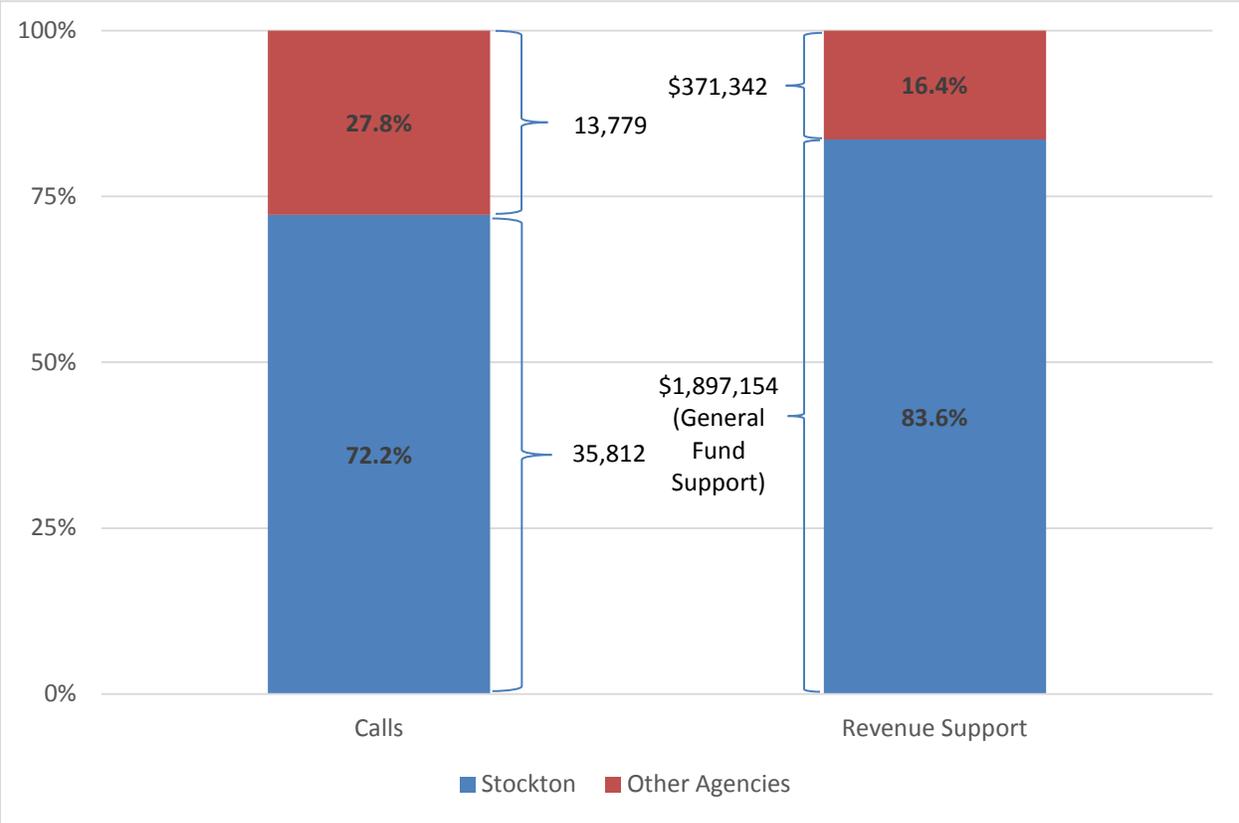
Alternative Fire Dispatch Options

The following describes the staffing implications and operating costs for each alternative fire dispatch option. Each option where the Stockton ECD provides the fire dispatch assumes the additional operating cost required to sustain an appropriate capital replacement plan. However, capital equipment replacement costs of between \$620,000 and \$820,000 are not included and would need to be addressed for any expanded regional fire dispatch operation to be provided by Stockton ECD.

Option 1: Existing Stockton ECD Semi-Regional Dispatch with Full Cost Recovery from Contract Agencies

Stockton charges \$10.75 for medical related fire calls and \$21.49 for non-medical related fire calls. However, because Stockton's estimated cost per call is much higher than it charges its contract agencies, the Stockton ECD is not capturing the full cost of providing dispatch services. Therefore the balance of the cost is borne by Stockton's General Fund. Figure 1 illustrates this trend.

Figure 1. Percent of Calls vs. Revenue Support for Stockton ECD



The City of Stockton’s 35,812 calls account for 72.2% of the ECD’s workload but the General Fund supports 83.6% of its operations. Conversely, contract districts make up almost 28% of the call workload but as a whole only contribute \$371,342, or approximately 16% of expenditures.

Option 1 assumes that Stockton’s ECD continues to provide dispatch services to the City of Stockton, the Stockton Municipal Utilities Department, the City of Manteca, Boggs Tract Fire Protection District, Eastside Rural County Fire Protection District, Lincoln Fire Protection District, and Tuxedo-Country Club Fire District. However, it includes increased revenue as a result of increasing contract costs to contract agencies for their fair share of providing fire dispatch services, based on call volume. Table 16 provides the improved operational cost recovery that Stockton might expect from this strategy.

Table 16. *Current Operations Compared with Option 1 (Existing Stockton ECD Semi-Regional Dispatch with Full Cost Recovery from Contract Agencies)*

	Current Operations	Option 1	Estimated Net Change from Current General Fund Support
Operating Budget	\$2,268,496	\$2,333,778	\$65,282
Call Volume	49,591	49,591	0
Cost per Call	\$45.74	\$47.06	\$1.32
FTEs	14	14	0
Charge per Call	\$10.75 Medical \$21.49 Non-Medical	\$47.06	\$30.94 ¹
Revenue	\$371,342	\$648,440 ²	\$277,098
General Fund Support	\$1,897,154	\$1,685,338	(\$211,816)
Performance	93.9% of emergency alarms processed within 60 seconds 97.3% of emergency alarms processed within 90 seconds	No Change	No Change

¹ This is the difference between the average of the current medical and non-medical charges (\$16.12) and the new rate of \$47.06.

² The revenue is calculated by multiplying the contract agencies call volume (excluding Stockton) by the cost per call. Stockton's contribution is captured by General Fund support.

If Stockton were to charge one flat rate per call and increase charges to cover the full cost of providing Fire dispatch services to its current contract agencies, the cost for most participants would increase. Table 17 illustrates the differences in costs for each participant under Option 1.

Table 17. *Changes in Cost for Each Participant Under Option 1*

Agency	Annual Call Volumes	FY 2012-13 Fire Dispatch Cost ¹	Option 1 Cost ²	Annual Cost Difference	% Change
City of Stockton	35,812	\$1,897,154	\$1,685,338	(\$211,816)	-11%
City of Manteca	5,727	\$80,622	\$269,513	\$188,891	234%
Stockton Municipal Utilities Department (MUD)	3,935	\$84,715	\$185,181	\$100,466	119%
Eastside Rural County Fire Protection District	2,379	\$88,279	\$111,956	\$23,677	27%
Tuxedo-Country Club Fire District	842	\$46,235	\$39,625	(\$6,610)	-14%
Lincoln Fire Protection District	819	\$69,583	\$38,542	(\$31,041)	-45%
Boggs Tract Fire Protection District	77	\$1,907	\$3,624	\$1,717	90%

¹ Current costs are based on the FY 2012-13 City of Stockton General Fund support for the Stockton ECD and unaudited revenues from the contract agencies.

² Option 1 Costs are based on a charge of \$47.06 per call.

Costs for most participants would increase as a result of a change in the formula for assessing the service or a transition to a cost per call formula. The City of Stockton would see a decrease in operational costs because the cost for providing the service to other contract agencies would be based on full cost recovery. The changes for the four fire protection districts currently under contract with the City of Stockton (Eastside, Tuxedo-Country Club, Lincoln and Boggs Tract) vary widely. This is because their current service costs are based on a formula that includes gross taxable property value and does not take into account actual service levels. Changing to a cost formula that only accounts for service level and not property values will affect each district differently (as seen above in Table 17).

The costs for the City of Manteca and the Municipal Utilities District vary greatly. Stockton currently charges two different rates for medical and non-medical calls and the mix of medical and non-medical calls for these agencies is significantly different.

Benefits of Option 1

- Retains local control over fire dispatch service and performance standards within the City of Stockton.
- Increases operational revenue to offset ongoing costs.

Challenges of Option 1

- Does not reduce Stockton ECD operating costs significantly.
- Contract agencies may not agree to increase costs.
- Does not support a complete regional governance model for fire dispatch services in San Joaquin County which likely leads to innovation, efficiencies and cost avoidance over the long term.
- To increase current member fire protection districts' cost per call would require an evaluation of current contract parameters and a renegotiation of the fee. Each agreement currently stipulates that fire protection services will be rendered indefinitely until either party, with or without cause, terminates the contract by providing a five-year notice. Without negotiating a new fee for fire dispatch, Stockton ECD will not be able to recover full cost recovery from these fire protection districts for another five years, pending official notice.

Recommendation 5. Meet with current Stockton ECD contract agencies to develop a plan for increasing call rates to ensure full cost recovery for the services

provided. Prior to meeting, call volume numbers should be confirmed.

Option 2: New Semi-Regional Fire Dispatch JPA (existing Stockton ECD contract agencies plus the cities of Tracy and Lodi) under contract with Stockton ECD for Fire Dispatch Services

Option 2 provides a scenario where Stockton ECD would provide fire dispatch services through a JPA to its existing contract agencies as well as the cities of Tracy and Lodi. If a change in fire dispatch operations were to be pursued, both the cities of Tracy and Lodi indicated a preference to contract with a JPA where Stockton ECD provided fire dispatch services over contracting with JRUG, even at an increased cost. Both cities indicated that the governance and cost structure (including operations and capital), as well as performance standards would have to be acceptable before considering such an option.

The City of Tracy currently is a member of JRUG and receives EMS and fire dispatch services through its private operator, AMR/LifeCom. While AMR maintains a contract with JRUG until May 1, 2015 to provide fire and EMS dispatching for its member agencies, the City of Tracy retains the right to withdraw membership from JRUG at the end of any fiscal year so long as it provides written notice of its intentions to terminate to the JRUG Board no later than December 31 prior to the termination of the fiscal year in which the City intends to withdraw.

The City of Lodi is the only municipality in which fire calls are dispatched by its police department. Due to a settlement agreement between the cities of Stockton, Lodi and the County Emergency Medical Services Agency (EMS), the City of Lodi is not permitted to directly contract with Stockton for fire dispatch services; however, Lodi indicated it would be open, and permissible for them to consider joining a regional JPA for fire dispatch provided by Stockton.

Based on the current cost structure provided by LifeCom and relative satisfaction of the smaller fire districts with the service provided (although no survey was conducted of all the member agencies), it is unlikely that any of the other agencies would consider a change in fire call handling before a new contract for EMS and fire dispatch services is bid by San Joaquin County in 2015 for the current contract (which expires in 2016).

Call Volumes, Staffing and Budget

Should a JPA be created and Lodi and Tracy join, call volume will increase. In order to handle this increase, ECD's staffing and expenditures are expected to increase as well. Expected call volumes are listed in Table 18.

Table 18. *Changes in Call Volumes between Current Operations and Option 2*

Agency	Total Call Volume ¹
Stockton ECD	
Stockton Fire	35,812
Current Contract Agencies	13,779
Total Current Stockton ECD	49,591
Semi-Regional Fire Dispatch	
Stockton Fire	35,812
Current Contract Agencies	13,779
Tracy	5,946
Lodi	5,946
Option 2 Total Call Volume	61,483
% increase from Current Operations	24%

¹ Call volumes for Stockton, current contract agencies and Lodi are based on FY 2012-13 actual call volumes. Tracy's call volume is based on the average used by JRUG to determine costs.

To handle the increased call volume, Management Partners estimates an increase of three Telecommunicator I position will be needed (from 14 to 17). This is a 21% increase, corresponding to a 24% increase in workload. Adding staff is needed to remain at current performance levels while handling the increased volume of work.

In addition to increased staffing to handle fire call taking, Management Partners believes that additional Fire Department staff time would need to be allocated to the administration of a new regional fire dispatch JPA. For estimating purposes, we have added additional personnel costs for a half-time administrative analyst and 20% of a deputy chief. The breakdown in expected increased costs is provided in Table 19.

Table 19. *Expected Annual Expenditures for Option 2*

Item	Amount
Current Operating Budget	\$2,268,496
Increase for Capital Replacement Program	\$65,282
Part Time Administrative Analyst¹	\$31,955
20% of Deputy Fire Chief¹	\$30,573
3 Telecommunicator I¹	\$176,505
Total	\$2,572,811

¹ Personnel costs include salaries and benefits at the entry level for new employees

Option 2 Estimated Costs and Revenues

If Stockton were to provide semi-regional fire dispatch through a JPA, the JPA should charge members the full cost of providing the service. This would reduce the Stockton General Fund burden for fire dispatch by having members pay for full cost recovery and by increasing the economies of scale. The differences between Stockton’s current ECD operations and Option 2 are listed in Table 20.

Table 20. *Current Stockton ECD Operations Compared with Option 2 (New Expanded Semi-Regional Fire Dispatch JPA Under Contract with Stockton ECD(with the addition of the Cities of Tracy and Lodi)*

	Current Stockton ECD Operations	Option 2	Estimated Net Change from Current General Fund Support
Stockton ECD Operating Budget	\$2,268,496	\$2,572,811	\$304,315
Call Volume	49,591	61,483	11,892
Cost per Call	\$45.74	\$41.85	(\$3.89)
FTEs	14	17	3
Charge per call	\$10.75 Medical \$21.49 Non-Medical	\$41.85	\$25.73 ¹
Revenue	\$371,342	\$1,074,331 ²	\$702,989
General Fund Support	\$1,897,154	\$1,498,480	(\$398,674)
Performance	93.9% of emergency alarms processed within 60 seconds 97.3% of emergency alarms processed within 90 seconds	No Change	No Change

¹The difference in charge per call is calculated by subtracting the average cost per call for current operations (\$16.12) from the Option 2 cost per call.

² Revenue is calculated by multiplying contract agencies call volume (excluding Stockton) by the cost per call. Stockton’s costs are captured through General Fund support.

By creating a semi-regional JPA and providing additional fire dispatch services to Lodi and Tracy, Stockton can expect to lower general fund support by \$398,674. This assumes that all jurisdictions in the JPA (including Stockton) pay the full cost of services (estimated to be \$41.85 per call). The cost of service and call volume should be recalculated every year to ensure equitable contributions by all members.

Increasing the charge per call to cover all expenditures for a new JPA would increase costs for most participants. Table 21 illustrates the changes between current costs and expected costs for Option 2.

Table 21. Changes in Estimated Participant Costs Under Option 2

Agency	Call Volumes	Current Cost for Fire Dispatch ¹	Option 2 Cost ²	Difference	% Change
City of Stockton	35,812	\$1,897,154	\$1,498,480	(\$398,674)	-21%
Lodi	5,946	N/A	\$248,840	N/A	N/A
Tracy	5,946	\$115,512	\$248,840	\$133,328	115%
City of Manteca	5,727	\$80,622	\$239,675	\$159,053	197%
Stockton Municipal Utilities Department	3,935	\$84,715	\$164,680	\$79,965	94%
Eastside Rural County Fire Protection District	2,379	\$88,279	\$99,561	\$11,282	13%
Tuxedo-Country Club Fire District	842	\$46,235	\$35,238	(\$10,997)	-24%
Lincoln Fire Protection District	819	\$69,583	\$34,275	(\$35,308)	-51%
Boggs Tract Fire Protection District	77	\$1,907	\$3,222	\$1,315	69%

¹ Current Costs are based on the following. For City of Stockton: the General Fund Support. For the City of Lodi: current costs were not vetted. For the City of Tracy: FY12-13 budget information from JRUG. For all other agencies: FY 12-13 unaudited revenue for Stockton ECD.

² Option 2 Costs are based on a charge of \$41.85 per call.

Again, as in Option 1, costs for most participants would increase as a result of a change in the formula for assessing the service or a transition to a cost per call formula. The City of Stockton would see a decrease in operational costs because the cost for providing the service to other contract agencies would be based on full cost recovery. The changes for the four fire protection districts currently under contract with the City of Stockton (Eastside, Tuxedo-Country Club, Lincoln and Boggs Tract) vary widely. This is because their current service costs are based on a formula that includes gross taxable property value and does not take into account actual service levels. Changing to a cost formula that only accounts for service level and not property values will affect each district differently (as seen in Table 17).

The costs for the City of Manteca and the Municipal Utilities District vary greatly. Stockton currently charges two different rates for medical and non-medical calls and the mix of medical and non-medical calls for these agencies is significantly different.

There is some indication that the Lathrop-Manteca Fire Protection District may be interested in joining a new regional fire dispatch JPA; however this was not confirmed during our analysis. If this district were to join in Option 2, the estimated net reduction in current General Fund support would be \$411,511 (rather than the \$398,674 indicated in Table 20). This is due to additional economies of scale.

Benefits of Option 2:

- Supports a regional fire dispatch approach in San Joaquin County.
- Measurable performance fire call handling standards would encourage accountability to member agencies.
- Greater transparency regarding operating costs for providing fire dispatch services.
- Opportunities for existing and new member agencies to ensure performance and cost transparency through an appropriate JPA governance structure.
- Reduces Stockton General Fund allocation to Stockton ECD.

Challenges of Option 2:

- Stockton General Fund offset is good, but not great.
- Stockton would have to make an investment in technology and capital equipment improvements of about \$720,000.
- Does not achieve the economies of scale that might be available with a full regional fire dispatch operation within San Joaquin County.
- Existing and prospective member agencies would have to agree to a fairly significant cost increase in fire dispatch service costs.
- New JPA member costs will still likely be higher than those provided by LifeCom should they win the bid for a new contract in 2016.
- Unknown costs for radios and information connectivity (see discussion above).

Option 3: New Regional Fire Dispatch JPA (Stockton ECD and All County Fire Agencies)

During interviews with stakeholders it became clear that while some agencies would be open to new options for fire dispatch, others may be happy with the service provided by LifeCom (through JRUG) and may not consider moving to another JPA. Nonetheless, Management Partners also recognizes the potential for all public agencies to collaborate on behalf of good governance and efficiency and thought it important to provide a threshold analysis of an option which has Stockton ECD providing fire call handling services to all fire agencies in the County. Option 3 seeks to achieve the costs of including all fire agencies in the county in a JPA that would contract with the City of Stockton ECD for fire call handling dispatch services.

LifeCom (AMR) currently holds a contract to provide fire and EMS dispatch services for JRUG until May 1, 2015, with the option of two one-year renewals. If all fire agencies in the county were to form a regional JPA for fire call handling dispatch, it would require JRUG not renew its contract with LifeCom in 2015, dissolve the JRUG JPA, and then join the new regional fire dispatch JPA under contract with Stockton ECD for fire dispatch services.

Call Volumes, Staffing and Budget

Should a new JPA be created and all fire agencies in San Joaquin County join, call volume, staffing, and costs will increase. Capital costs would also increase; however, these are the same as in Option 2 and are not detailed again here. Expected call volumes for Option 3 are shown in Table 22.

Table 22. *Changes in Call Volumes Between Current Operations and Option 3*

Agency	Total Call Volume ¹
Current Operations	
Stockton Fire	35,812
Current Contract Agencies ²	13,779
Total Current Operations	49,591
Option 3	
Stockton Fire	35,812
Current Contract Agencies ²	13,779
Tracy	5,946
Lodi	5,946

Agency	Total Call Volume ¹
All Other JRUG Agencies	17,508
Option 3 Total Call Volume	78,991
Percent increase from Current Operations	59%

¹ Call volumes for Stockton, Current Contract Agencies and Lodi are based on FY 2012-13 actual call volumes. Tracy's and All Other JRUG Agencies' call volumes are based on the average used by JRUG to determine costs.

² Current Contract Agencies include calls for Manteca, Stockton Municipal Utilities District, Boggs Tract Fire Protection District, Eastside Rural County Fire Protection District, Lincoln Fire Protection District, and Tuxedo-Country Club Fire Districts.

In order to handle the increased call volume, Management Partners estimates a needed increase of eight Telecommunicator I positions from 14 to 22. This is a 57% increase, corresponding to a 59% increase in workload. Adding staff is needed to remain at current performance levels while handling the increased volume of work.

In addition to increased staffing needed to handle call taking, Management Partners also added an increase in annual expenditures for administrative support of a JPA similar to Option 2. The breakdown in expected increased funding is provided in Table 23.

Table 23. *Expected Annual Expenditures for Regional Fire Dispatch Services*

Item	Amount
Current Operating Budget	\$2,268,496
Increase for Capital Replacement Program	\$65,282
Part Time Administrative Analyst¹	\$31,955
20% of Deputy Fire Chief¹	\$30,573
Eight Telecommunicator I¹	\$470,679
Total	\$2,866,985

¹ Personnel costs include salaries and benefits at the entry level for new employees

Option 3 Revenues and Expenditures

If Stockton were to provide regional fire dispatch under contract with a JPA, the JPA should charge members the full cost of providing the service. This has the effect of reducing the General Fund burden for fire dispatch by having members pay for full cost recovery and by increasing the economies of scale. The differences between Stockton's current operations and Option 3 are listed in Table 24.

Table 24. *Current Operations Compared with Option 3 (Regional Fire Dispatch JPA – All County Agencies)*

	Current Operations	Option 3	Estimated Net Change from Current General Fund Support
Operating Budget	\$2,268,496	\$2,866,985	\$598,489
Call Volume	49,591	78,991	29,400
Cost per Call	\$45.74	\$36.30	(\$9.44)
FTEs	14	22	8
Charge per Call	\$10.75 Medical \$21.49 Non-Medical	\$36.30	\$20.18
Revenue	\$371,342	\$1,567,398 ²	\$1,196,056
General Fund Support	\$1,897,154	\$1,299,587	(\$597,567)
Performance	93.9% of emergency alarms processed within 60 seconds 97.3% of emergency alarms processed within 90 seconds	No Change	No Change

¹The difference in charge per call is calculated by subtracting the average cost per call for current operations (\$16.12) from the Option 3 cost per call.

² Revenue is calculated by multiplying contract agencies call volume (excluding Stockton) by the cost per call. Stockton’s costs are captured through General Fund support.

By creating a regional JPA and providing fire dispatch services to all San Joaquin County fire agencies, Stockton can expect to reduce General Fund support by almost \$600,000. This assumes that all the member JPA agencies (including Stockton) would pay the full cost of services estimated to be \$36.30 per call. The cost of service and call volume should be recalculated every year to ensure equitable contributions by all members.

Increasing the charge per call to cover all expenditures for a new regional JPA would increase costs for most participants, albeit to a lesser extent than in options one and two. Table 25 illustrates the changes between current costs and expected costs for Option 3 for all participants.

Table 25. Change in Estimated Participant Costs Under Option 3

Agency	Call Volumes	Current Cost for Fire Dispatch ¹	Option 3 Cost ²	Difference	% Change
City of Stockton	35,812	\$1,897,154	\$1,299,587	(\$597,567)	-31%
City of Lodi	5,946	N/A	\$215,840	N/A	N/A
City of Tracy	5,946	\$115,512	\$215,840	\$100,328	87%
Manteca Ambulance	5,855	\$93,387	\$212,537	\$119,149	128%
City of Manteca	5,727	\$80,622	\$207,890	\$127,268	158%
Stockton Municipal Utilities Department	3,935	\$84,715	\$142,841	\$58,126	69%
Eastside Rural County Fire Protection District	2,379	\$88,279	\$86,358	\$(1,921)	-2%
Ripon Consolidated Fire Protection District	2,156	\$42,217	\$78,263	\$36,046	85%
Lathrop-Manteca Fire Protection District	1,957	\$37,489	\$71,039	\$33,551	89%
Waterloo-Morada Rural County Fire Protection District	1,568	\$29,017	\$56,918	\$27,901	96%
Woodbridge Rural County Fire Protection District	1,288	\$25,044	\$46,754	\$21,710	87%
Escalon Consolidated Fire Protection District	1,016	\$18,735	\$36,881	\$18,146	97%
French Camp-McKinley Fire Protection District	962	\$17,742	\$34,921	\$17,179	97%
Tuxedo-Country Club Fire District	842	\$46,235	\$30,565	(\$15,670)	-34%
Lincoln Fire Protection District	819	\$69,583	\$29,730	(\$39,853)	-57%
Montezuma Fire Protection District	638	\$12,081	\$23,159	\$11,078	92%
Linden-Peters Rural County Fire Protection District	531	\$10,364	\$19,275	\$8,912	86%
Mokelumne Rural County Fire District	495	\$9,275	\$17,969	\$8,694	94%
Thornton Rural Fire Protection District	347	\$6,805	\$12,596	\$5,791	85%
Liberty Rural County Fire Protection District	229	\$4,310	\$8,313	\$4,003	93%
Farmington Fire Protection District	198	\$3,848	\$7,187	\$3,339	87%
Clements Rural Fire Protection District	185	\$3,476	\$6,716	\$3,239	93%
Collegeville Rural Fire Protection District	83	\$1,663	\$3,013	\$1,350	81%
Boggs Tract Fire Protection District	77	\$1,907	\$2,795	\$888	47%

¹ Current Costs are based on the following. For City of Stockton: the General Fund Support. For agencies to whom Stockton provides fire dispatch: FY 12-13 unaudited revenue for Stockton ECD. For the City of Lodi: current costs were not vetted. For agencies in JRUG: FY12-13 budget information from JRUG.

² Option 2 Costs are based on a charge of \$36.30 per call.

Again, as in Options 1 and 2, costs for most participants would increase as a result of a change in the formula for assessing the service or a transition to an actual cost per call formula. For current JRUG members, the cost per call would increase substantially because the costs of fire dispatch would no longer be offset by EMS calls as it is under the current

LifeCom contract. The City of Stockton would see a decrease in operational costs because the cost for providing the service to other contract agencies would be based on full cost recovery. The changes for the four fire protection districts currently under contract with the City of Stockton (Eastside, Tuxedo-Country Club, Lincoln and Boggs Tract) vary widely. This is because their current service costs are based on a formula that includes gross taxable property value and does not take into account actual service levels. Changing to a cost formula that only accounts for service level and not property values will affect each district differently (as seen above in Table 17).

The costs for the City of Manteca and the Municipal Utilities District vary greatly. Stockton currently charges two different rates for medical and non-medical calls and the mix of medical and non-medical calls for these agencies is significantly different.

Benefits of Options 3:

- Supports a full regional fire dispatch approach in San Joaquin County.
- Stockton General Fund offset to fire dispatch is significant.
- Measurable performance fire call handling standards would encourage accountability to member agencies.
- Greater transparency regarding operating costs for providing fire dispatch services.
- Opportunities for existing and new member agencies to ensure performance and cost transparency through an appropriate JPA governance structure.
- Reduces Stockton General Fund support to Stockton ECD.

Challenges of Option 3:

- Stockton would have to make an investment in technology and capital equipment improvements of about \$720,000.
- Does not achieve the economies of scale that might be available with a full regional fire dispatch operation within San Joaquin County.
- Existing and prospective member agencies would have to agree to a significant cost increase in fire dispatch service costs.
- New JPA member costs will still likely be higher than those provided by LifeCom should they win the bid for a new contract in 2016.

- Unknown costs regarding radios and information connectivity (see discussion above).

Recommendation 6. Survey potential members of a regional fire dispatch joint powers authority (JPA) to determine cost and performance objectives that would need to be achieved to contract with Stockton ECD as the provider of fire dispatch operations.

Option 4: Fire Dispatch Services Provided Under Contract with JRUG

Options 1 through 3 focused on Stockton maintaining the ECD either at current service levels or with opportunities for expansion throughout the county to achieve greater efficiencies. Option 4 assumes that Stockton eliminates its dispatch center, joins JRUG and contracts for fire dispatch services through LifeCom. JRUG may accept new member agencies at any time with the approval of a majority vote from the Board.

Should Stockton join JRUG it will no longer provide dispatch services to its current contract agencies. Under this scenario, the City of Manteca may have to join JRUG as well and pay them directly for fire dispatch services. However, the fire districts that have a contract with Stockton to provide fire dispatch services would likely continue to pay Stockton for these services as a pass-through to JRUG. MUD dispatch would likely transition to the Stockton Police Dispatch center for service.

With Option 4, all operating expenditures could be eliminated and costs would be based on the number of calls and the cost per call negotiated by JRUG. While most capital costs will also be eliminated, a one-time expenditure of approximately \$40,000 (estimated by AMR) would be needed to connect Stockton with AMR's dispatch center in Modesto. A summary of changes between Stockton's current operations and Option 4 are listed in Table 26.

Table 26. *Current Operations Compared with Option 4*

	Current Operations	Option 4	Estimated Net Change from Current General Fund Support
Operating Budget	\$2,268,496	\$751,124 ¹	(\$1,517,372)
Call Volume	49,591	EMS – 28,929 Non-EMS – 6,883 Total – 35,812	(9,662)
Cost per Call	\$45.74	N/A	N/A
FTEs	14	0	(14)
Charge per Call	\$10.75 - Medical \$21.49 - Non-Medical Flat Fee: \$0	EMS: \$11.57 Fire: \$23.12 Flat Fee: \$5.00	EMS: \$0.82 Fire: \$1.63 Flat Fee: \$5.00
Revenue	\$371,342	\$78,221 ²	(\$293,121)
General Fund Support	\$1,897,154	\$672,903	(\$1,224,251)
Performance	93.9% of emergency alarms processed within 60 seconds 97.3% of emergency alarms processed within 90 seconds	Unknown	Unknown

¹ The operating budget includes per call expenditures for calls related to Stockton and the four remaining fire districts contracted with Stockton for Fire Dispatch.

² The revenue is the amount the four Stockton ECD contract agencies should pay Stockton to pass through to JRUG although this may not be possible under the current contract terms.

By joining JRUG, Stockton would save an estimated \$1,517,372 in operating costs. However, the net change to the General Fund would only be \$1,224,251 due to the loss in revenue of \$293,121 because the Stockton ECD would no longer provide fire dispatch services to MUD and the City of Manteca. As described above, while Manteca may be required to join JRUG if Stockton ECD no longer provided fire dispatch services, the remaining contract agencies would likely pay Stockton as a pass-through to JRUG for this service.

These fire districts (Eastside, Tuxedo-Country Club, Lincoln and Boggs Tract) have a contract for fire protection services with Stockton that requires a five-year notification for termination. Therefore, unless both parties agree to terminate or change the agreement voluntarily, the pass-through arrangement for dispatch services is likely to continue under this scenario in the near term.

The operating costs in Table 26 are based on the current charges per call but could increase before the current contract expires. As stated in JRUG’s contract with AMR, “the above rates may be increased annually by the

amount of a 50-50 weighting of the most current U.S. Bureau of Labor Statistics' San Francisco-Oakland-San Jose, CA medical care and transportation indices, but not to exceed 4.9%."

The JRUG Executive Board has indicated a strong interest in establishing and improving fire call handling performance standards. County EMS has also expressed receptivity to including appropriate standards in any future contract. JRUG has also taken some action in the past to improve fire dispatch training and oversight. According to some member agencies, focused improvement in this area has been resisted by AMR.

It is possible that a new bid in 2015 (to become effective in 2016) by the County which again combines EMS and fire dispatch services will provide strengthened parameters in this area for any successful bidder to meet in order to win the award. If so, costs would likely and appropriately increase. Regardless, no formal standards have been established and while Management Partners recognizes that fire call handling response times are complex to measure, performance goes beyond response times. Performance also includes ongoing fire dispatch training and experience sufficient to meet the fire dispatching needs of all member agencies, including those in more urban environments.

JRUG currently stipulates in its joint powers agreement that the Board of Directors shall consist of one representative from each member agency, with each director possessing one vote. Management Partners understands this governance structure may not be desirable to Stockton as their call volume and subsequent contribution to the budget would far exceed that of any current JRUG member agency, yet the City would have no more influence in ensuring performance standards than any other member agency.

Benefits of Option 4:

- Significant operating cost reduction to the City of Stockton General Fund.
- The potential for a true regional fire dispatch model, should Stockton ECD member agencies follow and join JRUG.
- Significant one-time and ongoing cost avoidance by no longer having to purchase \$620,000 to \$820,000 worth of capital equipment to continue or enhance operations.

Challenges of Option 4:

- Potentially significant dissatisfaction from current Stockton ECD member agencies.

- Fire call handling response performance standards and costs which may or may not be able to be provided or met under existing contracts with Stockton ECD members.
- Loss of local control over fire call handling performance standards and dispatch, depending on the governance structure agreed upon.
- Resistance from current JRUG members to change the governance structure.
- Uncertainty regarding costs and reliability of sustaining the LifeCom facility, which is highly dependent on ambulance service and rates.

Recommendation 7. Require documentation of specific fire dispatch performance and training standards, as well as transparency and accountability regarding the role of ambulance service in offsetting fire dispatch costs prior to pursuing any membership in JRUG.

Conclusion

Until and unless there are adequate fire dispatch performance and training standards enacted by JRUG and accountable to the JRUG Board and acceptable to the urban fire dispatch community, it is unlikely that the major fire agencies in the county will transition to the current JPA. There is interest by the urban fire agencies in pursuing a regional fire dispatch operation through a JPA even at an increased cost over their current operations, perhaps under contract with Stockton ECD to provide the service. As a result of past history with the City regarding fire dispatch operations, the potential member agencies, though, would require a complete business plan that addresses cost, accountability, governance and performance before proceeding.

Attachment – Summary of Recommendations

Recommendation 1. Confirm technology replacement schedule needs and funding requirements and increase the annual allocation to the internal service fund.

Recommendation 2. Analyze the costs and benefits of moving the Fire ECD to the Police Dispatch Center in conjunction with any steps to implement a regional fire dispatch operation.

Recommendation 3. ... Develop a detailed regional fire dispatch technology needs assessment and funding plan prior to entering into discussions with potential JPA member agencies.

Recommendation 4. .. Conduct an inventory of radio and connectivity requirements to enable Stockton ECD to service as a regional dispatch center.

Recommendation 5. ..Meet with current Stockton ECD contract agencies to develop a plan for increasing call rates to ensure full cost recovery for the services provided.

Recommendation 6. Survey potential members of a regional fire dispatch joint powers authority (JPA) to determine cost and performance objectives that would need to be achieved to contract with Stockton ECD as the provider of fire dispatch operations.

Recommendation 7. Require documentation of specific fire dispatch performance and training standards, as well as transparency and accountability regarding the role of ambulance service in offsetting fire dispatch costs prior to pursuing any membership in JRUG.

JOINT EXERCISE OF POWER AGREEMENT
BETWEEN THE LATHROP-MANTECA FIRE DISTRICT, THE CITY OF LODI,
THE CITY OF MANTECA, AND THE CITY OF STOCKTON
CREATING THE
SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH AUTHORITY

JOINT EXERCISE OF POWERS AGREEMENT

This Agreement dated July _____, 2015, is made and entered into by and among the LATHROP-MANTECA FIRE PROTECTION DISTRICT, a duly organized fire protection district under the Fire Protection District Law of 1987 (“LATHROP-MANTECA”), the CITY OF LODI, a general law City and municipal corporation in the State of California (“LODI”), the CITY OF MANTECA, a general law City and municipal corporation in the State of California (“MANTECA”), and the CITY OF STOCKTON, a charter City and municipal corporation in the State of California (“STOCKTON”) (collectively referred to as “MEMBERS”), to be effective as of July 1, 2015.

RECITALS

1. LATHROP-MANTECA, LODI, MANTECA, and STOCKTON are each authorized by state law or charter to create and maintain a fire department that includes emergency and non-emergency dispatch services.

2. The MEMBERS have determined that creation of a joint power entity to administer emergency and non-emergency dispatch services, including related operations, achieves the needs of each entity for policy input and cost control.

3. The MEMBERS are each a public agency as defined by Government Code section 6500 et seq. and are each authorized and empowered to contract for the joint exercise of powers common to each agency.

4. By this Agreement, the MEMBERS now wish to jointly exercise their powers to provide for regional emergency and non-emergency dispatch services and related services, including but not limited to creation, development, ownership and operation of programs, facilities, and funds therefore through the establishment of the SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH JOINT POWERS AUTHORITY (the “AUTHORITY”).

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the MEMBERS agree as follows:

///

///

SECTION 1. POWERS AND PURPOSES

1.1 Authority Created. The AUTHORITY is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code of the State of California (the “Act”). The AUTHORITY shall be a public entity separate from the parties hereto and its debts, liabilities, and obligations shall not be the debts, liabilities, and obligations of its MEMBERS. The AUTHORITY shall, within 30 days after the Effective Date, cause a notice of this Agreement, and amended notices as necessary, to be prepared and filed with the Office of the Secretary of State, as required by Government Code section 6503.5.

1.2 Purpose of the Agreement; Common Powers to be Exercised. Each agency that is a party to this Agreement individually has the statutory authority to provide emergency and non-emergency dispatch and related services, as well as provide facilities and personnel for such services. In accordance with the Act, the purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth in this Agreement.

1.3 Powers. Pursuant to and to the extent required by the Act, the AUTHORITY shall be restricted in the exercise of its powers in the same manner as is each of its MEMBERS. The AUTHORITY shall have the common powers of the MEMBERS, and is authorized, in its own name, to do all acts necessary or convenient for the exercise of such powers, and all other acts authorized by statute, including, but not limited to any or all of the following:

- (a) To exercise the common powers of its MEMBERS in providing emergency and non-emergency dispatch services, including related operational services, and any service to contracting entities and those powers that may be conferred upon it by subsequently enacted legislation.
- (b) To make and enter into contracts, including contracts with its MEMBERS; provided, however, the AUTHORITY may not enter into real property development agreements pursuant to Government Code section 65865.

ATTACHMENT B

- (c) To assume any existing applicable contracts of its MEMBERS relating to the provision of emergency and non-emergency dispatch services, including related operational services.
- (d) To determine compensation and working conditions and negotiate contracts with employees and employee organizations of the AUTHORITY, if any.
- (e) To employ such agents, employees, and other persons as it deems necessary to accomplish its purpose and to receive, accept, and utilize the services of personnel offered by any of the MEMBERS, or their representatives or agents.
- (f) To lease, acquire, hold, and dispose of real and personal property.
- (g) To invest AUTHORITY reserve funds.
- (h) To incur debt, liabilities, or obligations, provided that all long-term bonded indebtedness, Certificates of Participation, or other long-term debt financing require the prior consent of the MEMBERS as set out in Section 6.8 hereof.
- (i) To sue and be sued in its own name.
- (j) To apply for grants, loans, or other assistance from persons, firms, corporations, or governmental entities.
- (k) To use any and all financing mechanisms available to the AUTHORITY, subject to the provisions of Section 6 of this Agreement.
- (l) To prepare and support legislation related to the purposes of the Agreement.
- (m) To lease, acquire, construct, operate, maintain, repair, and manage new or existing facilities as well as to close or discontinue the use of such facilities.
- (n) To levy and collect payments and fees for services.

- (o) To impose new special taxes or assessments as authorized by law and in coordination with the underlying jurisdiction.
- (p) To provide related services as authorized by law.
- (q) To contract for the services of attorneys, consultants, and other services as needed.
- (r) To purchase insurance or to self-insure and to contract for risk management services.
- (s) To adopt rules, regulations, policies, bylaws, and procedures governing operation of the AUTHORITY, including the determination of compensation of any Directors and employees of the AUTHORITY.
- (t) To exercise the power of eminent domain.
- (u) To receive, accept, expend, or disburse monies (by contract or otherwise) for purposes consistent with the provisions and purposes specified herein, and maintain at all times a complete and accurate system of accounting for said monies.
- (v) To contract with outside parties, the operating and administrative services of the AUTHORITY.
- (w) Notwithstanding the foregoing, the AUTHORITY shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth herein.

SECTION 2. TERM AND TERMINATION

2.1 Effective Date. This Agreement shall become effective as of July 1, 2015, or such later date agreed to in writing by MEMBERS.

2.2 Term. This Agreement shall continue in full force and effect without a specific term until it is terminated or rescinded upon the mutual written agreement of the original MEMBERS to this Agreement. The AUTHORITY may by a majority vote of the MEMBERS to

terminate this Agreement, or termination will occur automatically if only one member agency is left in the AUTHORITY.

2.3 Membership Term; Notice of Withdrawal. Original MEMBERS specifically agree to remain members of AUTHORITY for a minimum of ten (10) years after the effective date of the AUTHORITY. Subsequent members approved by the BOARD must specifically agree to remain members of AUTHORITY for a minimum of ten (10) years after joining the AUTHORITY. Any individual member agency can terminate membership in this Agreement after completing the 10th year of membership by providing notice to all other member agencies by resolution of intent to withdraw adopted by the governing board of the withdrawing party. The notice of intent to withdraw shall be given at least one (1) year before the start of the fiscal year in which it shall be effective, but in no circumstance will termination be effective until 10 years after becoming a member of AUTHORITY. The advance notice is intended to give MEMBERS sufficient time to make appropriate arrangements to provide emergency and non-emergency dispatch services. Upon the effective date of withdrawal, the withdrawing agency shall cease to be bound by this Agreement, except for any long-term financing obligations placed upon the withdrawing party under this Agreement.

2.4 Authority Approval. This Agreement may be terminated upon the consent of the AUTHORITY and the consent of each of the governing bodies of the original member agencies to terminate this Agreement. Any such termination shall provide that the effective termination date shall not occur unless MEMBERS have sufficient time to make appropriate arrangements to independently provide emergency and non-emergency dispatch services, but in no case more than 10 years after approval of termination by the governing bodies of the original member agencies.

2.5 Satisfaction of Obligations. Notwithstanding any other provision in this Agreement, in no event shall the exercise of the powers herein granted be terminated until all indebtedness, claims and liabilities incurred, including liability on Certificates of Participation or bonds, are fully and completely satisfied, or provision for the complete satisfaction of such obligations are made and approved by the AUTHORITY and MEMBERS.

2.6 Distribution of Surplus Property. Pursuant to the Act, upon termination of this Agreement, any surplus property owned or held by the AUTHORITY shall be distributed pro rata to the Federal, State, local agency, or member agency that provided the property. The parties shall use good faith efforts and fair dealing in processing and dividing any surplus property that cannot be attributed to any single member agency.

2.7 Distribution of Surplus Funds. Pursuant to the Act, any surplus money on hand after termination of the Agreement shall be returned to the funding source from which funds were furnished, or to the member agency making the contribution. The parties shall use good faith efforts and fair dealing in processing and dividing any surplus funds that cannot be attributed to any single member agency, keeping in mind the position of the parties before they entered into this Agreement.

SECTION 3. ORGANIZATION

3.1 Membership. The MEMBERS of AUTHORITY shall be the original parties to this Agreement that have not withdrawn from the AUTHORITY and those Public Agency Members who have met the minimum criteria as established by the Board and are approved to be added as MEMBERS of AUTHORITY by a majority vote of the MEMBERS (the “Original Member Agency”). In addition, any city or public entity may join the AUTHORITY as non-voting members after execution of this Agreement on terms and conditions approved by the AUTHORITY.

3.2 Board Structure. The AUTHORITY shall be governed by a Board of Directors (“BOARD”) consisting of not more than one representative from each Original Member Agency or as set forth in the bylaws adopted by the BOARD. Each Director shall have one vote.

3.3 Appointment of Directors by Member Agencies.

The BOARD members shall be appointed as follows:

- (a) Each Original Member Agency, by resolution of its governing body, shall appoint the Fire Chief or designated Fire Department alternate Director to serve on the AUTHORITY’s BOARD. Each Original Member Agency shall also appoint by resolution of its governing body an alternate to act in

ATTACHMENT B

each Director's absence. Each Director and alternate shall serve at the pleasure of his or her appointing body and may be removed at any time, with or without cause, at the sole discretion of that appointing body. Any vacancy shall be filled in the same manner as the original appointment of a Director and/or alternate.

- (b) The term of office for Directors shall be July 1 of each year from the Effective Date of the AUTHORITY in the year of its formation, to and including the following June 30 of the following year and from July 1 to and including the following June 30 for every year thereafter. A Director can serve multiple terms at the discretion of the appointing body pursuant to their respective adopted policies.
- (c) The Directors and their alternates shall not receive any compensation for serving as such. However, with approval of the BOARD, a Director or alternate may be reimbursed for reasonable expenses incurred in the conduct of the business of the AUTHORITY.
- (d) Pursuant to Government Code section 6505, the BOARD is designated as the administrator of this Agreement and the AUTHORITY's affairs, and shall perform its duties and responsibilities in accordance with all provisions of this Agreement.

3.4 Principal Office. The principal office of the AUTHORITY shall be the Fire Department Headquarters of the City of Stockton or as may be otherwise designated by the AUTHORITY from time to time.

3.5 Regular Meetings. The BOARD shall hold at least one meeting annually and may hold additional meetings as determined by the BOARD and as may be established by its bylaws. All meetings of the BOARD shall be called, noticed, held, and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (§§ 54950-54961)) or any successor legislation hereinafter enacted.

3.6 Minutes. The appointed clerk of the AUTHORITY shall cause minutes of all meetings of the BOARD to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director of the BOARD and to the respective governing bodies of each of the member agencies.

3.7 Quorum. A majority of the Directors of the BOARD shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

3.8 Officers. The BOARD shall elect from among its Directors a chair and vice-chair and thereafter at the first meeting in each fiscal year, the BOARD shall elect or re-elect a chair and vice-chair. In the event that the chair or vice-chair ceases to be a Director, the resulting vacancy shall be filled in the same manner at the next regular meeting of the BOARD held after such vacancy occurs. In the absence or inability of the chair to act, the vice-chair shall act as chair. The BOARD may also appoint a clerk of the AUTHORITY and such other officers as it deems necessary pursuant to Section 3.12 below.

3.9 Rules. The BOARD may adopt from time to time such bylaws, rules, and regulations for the conduct of its affairs that are not in conflict with this Agreement, as it may deem necessary.

3.10 Committees. The BOARD may establish standing or ad hoc committees or subcommittees composed of BOARD members, staff, and/or the public to make recommendations on specific matters.

3.11 Employer-Employee Relations. The BOARD shall as necessary adopt by majority vote Employer-Employee Relations Procedures and Personnel Rules and Regulations applicable to the AUTHORITY for any employees of the AUTHORITY.

3.12 Officers; Duties; Bonds. As determined by the BOARD, the Officers of the AUTHORITY shall be the Executive Director, General Counsel, Clerk, and Finance Director-Treasurer/Controller.

ATTACHMENT B

- (a) An Executive Director may be appointed by the BOARD and shall be an at-will employee that serves at the pleasure of the BOARD. If appointed, the Executive Director shall:
 - (1) Direct all subordinate officers and employees;
 - (2) Appoint and remove all employees of AUTHORITY, if any;
 - (3) Attend all meetings of the BOARD unless excused therefrom;
 - (4) Prepare and submit to the BOARD the annual budget for the AUTHORITY;
 - (5) Promulgate administrative and personnel rules and regulations as necessary for the conduct of the operations of AUTHORITY; and
 - (6) Perform such other duties and exercise such other powers as directed by the BOARD.
- (b) The AUTHORITY shall appoint a Clerk of the BOARD.
- (c) AUTHORITY shall appoint a Finance Director - Treasurer/Controller who shall serve as the depositary of the AUTHORITY to have custody of all the money of the AUTHORITY, from whatever source, and, as such, shall have the powers, duties, and responsibilities specified in the Act, and shall be designated as the public officer or person who has charge of, handles, or has access to any property of the AUTHORITY, and such officer shall file an official bond in the amount of \$25,000 as required by the Act; provided, that such bond shall not be required if the AUTHORITY does not possess or own property or funds with an aggregate value of greater than \$500.
- (d) The AUTHORITY shall appoint a General Counsel to serve as primary General Counsel to the AUTHORITY.
- (e) The BOARD may contract with any member agency of MEMBERS to provide necessary administrative and support services to the AUTHORITY as appropriate. Any administrative duties also may rotate

from year to year. The AUTHORITY shall reimburse MEMBERS, or its Officers, for services provided under this section in accordance with the normal and usual rates and/or contractual provisions used by that member agency or its Officers.

- (f) Unless and until changed by resolution of the BOARD, the fiscal year of the AUTHORITY shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the effective date of this Agreement up to and including June 30, 2016.

SECTION 4. TRANSFER OF DISPATCH OPERATIONS; CONTRIBUTIONS AND ADVANCES; CONTRACTING SERVICES

4.1 Transition Team; List of Assets and Liabilities. The MEMBERS shall designate a transition team to plan for and implement the transfer of emergency and non-emergency dispatch services to AUTHORITY. The transition team shall also plan for and implement the transfer of assets and liabilities from the MEMBERS to the AUTHORITY which is necessary to achieve the purposes of this Agreement. An up-to-date list of all personnel, employment agreements, assets (including but not limited to real property, equipment, reserves, contracts, and deposits), and all known liabilities shall be prepared by the transition team and submitted to the BOARD.

4.2 Transfer of Assets and Liabilities. The transition team will prepare a plan for transition of assets, liabilities, and services for approval by the BOARD. Before the transfer of any assets, the AUTHORITY and the MEMBER shall come to an agreement concerning the transfer, use, maintenance, and return of any assets, including transition to a joint asset.

4.3 Personnel. The MEMBERS agree that human resources, administrative, and operational services may be provided through an Operating Agreement with the understanding that the AUTHORITY may provide its own such service at a future date. Pursuant to Government Code section 53291, the AUTHORITY may prescribe the qualifications and conditions under which employees of MEMBERS will become employees of the AUTHORITY. The AUTHORITY shall comply with the provisions of Government Code section 53292 to the extent applicable to the AUTHORITY.

4.4 Public Funds, Personnel, Equipment, or Property. Contributions or advances of public funds and of personnel, equipment, or property may be made to the AUTHORITY by any MEMBERS for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advances shall be made subject to repayment, and shall be repaid, in the manner agreed upon by MEMBERS and the AUTHORITY at the time of making such advance.

4.5 Assets; Transition Plan; FCC License. All MEMBERS' assets included in the Transition Plan for transfer to AUTHORITY, including but not limited to real property and personal property and equipment and apparatus, shall transfer to the AUTHORITY in their "as is" condition as of the date specified in the Transition Plan. MEMBERS agree to execute any and all documents necessary to affect the transfer of assets and liabilities to the AUTHORITY in accordance with the approved Transition Plan. The Transition Plan shall also address the use/ownership of FCC Radio frequency licenses until such time as the AUTHORITY and Member Agencies, and any contracting entities as applicable, agree to transfer said frequencies to the AUTHORITY. Once transferred, the frequencies are not eligible to be severed from the AUTHORITY.

4.6 Contracts. All existing agreements and contracts involving emergency and non-emergency dispatch services by MEMBERS or its personnel shall be assigned to the AUTHORITY as of the date specified in the approved Transition Plan, with any service or obligation to be provided or performed thereafter by the AUTHORITY as identified in the Transition Plan. A list of all such contracts shall be developed during the transition period. The AUTHORITY agrees to assume all of the obligations, duties, and liabilities of the MEMBERS under said agreements and contracts.

4.7 Capital Expenditures; Equipment; Facilities. Capital improvements shall be funded and insured as provided in the cost-sharing formula adopted by the BOARD and the MEMBERS.

4.8 Contracting With Outside Entities. As part of its operation, outside entities may contract with the AUTHORITY for the provision of emergency and non-emergency services. As

part of its annual budget process, the AUTHORITY shall determine the service charge amounts owing from contracting entities. This amount shall be referred to as the “Service Charge.” The Service Charge shall consist of the annual cost for operational services consistent with the cost calculation methodology in place on the Effective Date of the Operating Agreement, or such later date as a contracting entity contracts with the AUTHORITY for service and will include the annual percentage charge in the cost of emergency and non-emergency dispatch system operations. The cost calculation methodology shall include the cost of any proportional share of any long-term debt repayment obligations, maintenance and repairs, and other costs as determined by the BOARD.

SECTION 5. LIABILITY

The AUTHORITY shall assume responsibility for any and all loss, litigation, liability, injury, damage, claim, demand, and tort or workers compensation incidents that occur on or after the date personnel or contracts are transferred to the AUTHORITY. The MEMBERS shall retain responsibility and liability for any and all such incidents that occur prior to the transfer and shall retain all risk management reserves that have been set aside for such prior incidents. The AUTHORITY may contract with an individual Member Agency of MEMBERS to receive risk management services on such terms as agreed to by the AUTHORITY and the Member Agency.

SECTION 6. FUNDING OF OPERATIONS

6.1 Fiscal Year. For financial recordkeeping and operations, the fiscal year of the AUTHORITY shall begin each July 1, and complete the following June 30.

6.2 General Budget. Within sixty (60) days after the first meeting of the BOARD, a preliminary general budget for the initial fiscal year shall be adopted by majority vote of the BOARD. The initial budget and each succeeding budget shall include, but not be limited to, the following:

- (1) The general administrative expenses, operating expenses, and necessary reserves of the AUTHORITY to be incurred during the period covered by the budget.
- (2) The allocation of costs to the MEMBERS in the amounts necessary to cover the budget adopted by the BOARD.

(3) Thereafter, at or prior to the last meeting of the BOARD for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of the BOARD.

(4) All expenditures within the designations and limitations of the approved general budget shall be made on the authorization of a majority vote of the BOARD.

6.3 Operation Costs. Operation costs of the AUTHORITY shall be allocated between MEMBERS and any outside entities in accordance with a cost-sharing formula adopted by the BOARD. The cost-sharing formula shall be set forth annually as part of the approved annual budget.

6.4 Cost Allocation Formula. Contributions by MEMBERS to the AUTHORITY will be evaluated annually as part of the budget cycle to provide the ability to adjust service levels as determined by a majority vote of the BOARD. MEMBERS shall pay a portion of the costs incurred by the AUTHORITY in providing the services described in this Agreement. The BOARD, in adopting a budget, shall determine each MEMBER's contribution for the fiscal year. The contribution of each MEMBER agency shall be determined by the percentage of number of annual dispatch service calls attributable to each MEMBER agency, divided by the total annual dispatch services calls to all MEMBER agencies during the calendar year preceding the Fiscal Year for which the MEMBER's fair share percentage is being calculated, offset by any applicable revenue received from any contracting entities. Once determined for any budget cycle year, MEMBER contributions shall remain unchanged until the next budget cycle. The use of an alternative method for determining MEMBER contributions requires a two-thirds (2/3) vote of the BOARD.

6.5 Revenue and Tax Sharing Agreements. Any agreements related to funding of emergency and non-emergency dispatch services and related operations existing prior to the Effective Date shall, to the greatest extent practicable, be transferred to the AUTHORITY or integrated into this Agreement, if applicable.

6.6 Alternative Funding Sources. Each MEMBER shall support opportunities for development of alternate funding sources.

6.7 Determination of Level of Technology Funding. The governing body of each MEMBER shall determine the kind and level of technology to enable that MEMBER to receive emergency and non-emergency dispatch services from the AUTHORITY and shall provide funding for the AUTHORITY to provide that service.

6.8 Approval of Bonded Indebtedness. By a two-thirds (2/3) vote of the BOARD, the AUTHORITY may authorize the issuance of any long-term bonded indebtedness. Any MEMBER that withdraws from the AUTHORITY pursuant to Section 2 above shall, after ceasing to be a MEMBER, be responsible for payment of its proportional share of any bonded indebtedness approved by the AUTHORITY while it was a Member.

SECTION 7. ACCOUNTING AND AUDITS

7.1 Maintenance of Books. Full books and accounts shall be maintained for the AUTHORITY in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the AUTHORITY's Finance Director - Treasurer/Controller shall comply strictly with requirements governing joint powers agencies pursuant to the Act.

7.2 Audit. The records and accounts of the AUTHORITY shall be audited annually by an independent certified public accountant and copies of the audited financial reports, with the opinion of the independent certified public accountant, shall be filed with the County Auditor, the State Controller, and each MEMBER within six (6) months of the end of the fiscal year under examination.

SECTION 8. INDEMNIFICATION AND INSURANCE

8.1 No Vicarious Liability. Pursuant to Government Code section 820.9, as may be amended, members of the Board of Directors for the AUTHORITY are not vicariously liable for injuries caused by the act or omission of the AUTHORITY or any of its MEMBERS. Nothing in this section exonerates an official from liability for injury caused by that individual's own wrongful conduct. Nothing in this section affects the immunity of any other public official.

8.2 Indemnification of MEMBERS. Except as provided in Section 8.7 below, from and after the Effective Date, the AUTHORITY shall defend, indemnify, and hold harmless the

MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to the performance of services pursuant to this Agreement.

8.3 Indemnification for Services Transferred. Except as provided in Section 8.7 below, from and after the Effective Date, the AUTHORITY shall defend, indemnify, and hold harmless the MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any contract or agreement assumed by or otherwise transferred to AUTHORITY.

8.4 Indemnification for Transfer of Assets. Except as provided in Section 8.7 below, from and after the date of transfer, the AUTHORITY shall defend, indemnify, and hold harmless the MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any MEMBER asset transferred to the AUTHORITY, including but not limited to real property, personal property, equipment, and apparatus.

8.5 Worker's Compensation. As to any employees of the AUTHORITY, including any employees transferred to the AUTHORITY, AUTHORITY shall maintain during the term of this Agreement workers compensation insurance as required by law.

8.6 General Liability Insurance. AUTHORITY shall maintain general comprehensive liability insurance in the minimum limit of \$5,000,000 combined single limit per occurrence and annual aggregate. MEMBERS shall be named as an additional insured on the general comprehensive liability policy. Alternatively, the AUTHORITY may self-insure in a minimum amount of \$5,000,000.

8.7 Indemnification by MEMBERS to AUTHORITY. From and after the Effective Date, MEMBERS shall defend, indemnify, and hold harmless the AUTHORITY, the AUTHORITY Directors, officers, employees, agents, and representatives, each individual

MEMBER, and its respective officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of the MEMBER's actions or omissions prior to the Effective Date of this Agreement that related to the provision of emergency and non-emergency dispatch services and related operations. The MEMBERS agree, pursuant to Government Code sections 895.4 and 6508.1, that MEMBERS shall indemnify and contribute to satisfaction of such judgment against AUTHORITY, the AUTHORITY Directors, officers, employees, agents, and representatives upon any liability arising out of the performance of this Agreement in proportion to that MEMBER's contribution to the AUTHORITY budget in the fiscal year in which an incident causing such liability occurs. The MEMBERS further agree that the provisions of Article 4 (commencing with section 825), Chapter 4, Part 2, Division 3.6, Title 1 of the Government Code shall apply to issues related to indemnification of MEMBERS or AUTHORITY Directors, officers, employees, agents, and representatives.

8.8 No Waiver of Defenses. Notwithstanding Section 8.7 above, the MEMBERS agree that no immunity or defense available to the MEMBERS under State or Federal law or regulation shall be waived with respect to any third party claim.

SECTION 9. CONFLICT OF INTEREST CODE

The AUTHORITY, to the extent required by law, shall adopt a Conflict of Interest Code.

SECTION 10. BREACH

If default shall be made by any MEMBER or the AUTHORITY in any covenant contained in this Agreement or the Operating Agreement, such default shall not excuse the MEMBER or the AUTHORITY from fulfilling its obligations under this Agreement and all MEMBERS shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. MEMBERS hereby declare that this Agreement is entered into for the benefit of the AUTHORITY created hereby and grant to the AUTHORITY the right to enforce by whatever lawful means the AUTHORITY deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the AUTHORITY hereunder

or by any law now or hereafter enacted are cumulative and exercise of one right or remedy shall not impair the right of the AUTHORITY to any or all other remedies.

SECTION 11. MISCELLANEOUS PROVISIONS

11.1 Agreement Not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between MEMBERS, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

11.2 Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby.

11.3 Successors and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the MEMBERS. Except to the extent expressly provided herein, MEMBERS may not assign any right or obligation hereunder without the prior written consent of the BOARD.

11.4 Amendment of Agreement. This Agreement may be amended and the AUTHORITY may be terminated or its powers may be changed, restricted, or eliminated by supplemental agreement executed by MEMBERS at any time.

11.5 Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given by resolution duly adopted by the respective governing body of each member agency and in the case of the AUTHORITY, by resolution duly adopted by the BOARD. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

11.6 Notices. Notices to MEMBERS shall be sufficient if delivered to the City Clerk of each MEMBER.

///

///

11.7 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

ATTEST:

LATHROP-MANTECA FIRE DISTRICT
A Fire Protection District

By: _____
Clerk of the Board

By: _____
Fire Chief

APPROVED AS TO FORM:

General Counsel

ATTEST:

CITY OF LODI
A Municipal Corporation

By: _____
Jennifer M. Ferraiolo, City Clerk

By: _____
Steve Schwabauer
City Manager

APPROVED AS TO FORM:

Janice Magdich
City Attorney, City of Lodi 

ATTEST:

CITY OF MANTECA
A Municipal Corporation

By: _____
City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

City Attorney, City of Manteca

ATTEST:

CITY OF STOCKTON
A Municipal Corporation

By: _____
Bonnie Paige, City Clerk

By: _____
Kurt Wilson
City Manager

APPROVED AS TO FORM:

Susana Alcala Wood
Assistant City Attorney

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY OF LODI'S PARTICIPATION IN THE JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH AUTHORITY AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT

=====

WHEREAS, the City of Lodi Fire Department is a public agency located in the County of San Joaquin, State of California; and

WHEREAS, as a public agency defined under Government Code section 6500, et seq., is authorized and empowered to contract with other public agencies for the joint exercise of powers common to each agency; and

WHEREAS, the City of Lodi operates and maintains a Fire Department that includes emergency and non-emergency dispatch services; and

WHEREAS, the City has considered the Joint Exercise of Powers Agreement creating the San Joaquin County Regional Fire Dispatch Authority ("SJCRFDA"), a copy of which is attached hereto as Exhibit A and made a part of this Resolution; and

WHEREAS, the City of Lodi finds it is in the best interest of the City to participate in said Agreement creating the SJCRFDA and become a member thereto.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that:

1. It is in the best interest of the City of Lodi to become a party to the Joint Exercise of Powers Agreement creating the San Joaquin County Regional Fire Dispatch Authority.
2. The Joint Powers Agreement creating SJCRFDA is hereby approved.
3. The City Manager is hereby authorized and directed to sign the Joint Powers Agreement creating SJCRFDA.
4. The City Manager is hereby authorized to take such other actions as is necessary and appropriate to carry out the purpose and intent of this Resolution.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the Lodi City Council in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____

JOINT EXERCISE OF POWER AGREEMENT
BETWEEN THE LATHROP-MANTECA FIRE DISTRICT, THE CITY OF LODI,
THE CITY OF MANTECA, AND THE CITY OF STOCKTON
CREATING THE
SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH AUTHORITY

JOINT EXERCISE OF POWERS AGREEMENT

This Agreement dated July _____, 2015, is made and entered into by and among the LATHROP-MANTECA FIRE PROTECTION DISTRICT, a duly organized fire protection district under the Fire Protection District Law of 1987 (“LATHROP-MANTECA”), the CITY OF LODI, a general law City and municipal corporation in the State of California (“LODI”), the CITY OF MANTECA, a general law City and municipal corporation in the State of California (“MANTECA”), and the CITY OF STOCKTON, a charter City and municipal corporation in the State of California (“STOCKTON”) (collectively referred to as “MEMBERS”), to be effective as of July 1, 2015.

RECITALS

1. LATHROP-MANTECA, LODI, MANTECA, and STOCKTON are each authorized by state law or charter to create and maintain a fire department that includes emergency and non-emergency dispatch services.

2. The MEMBERS have determined that creation of a joint power entity to administer emergency and non-emergency dispatch services, including related operations, achieves the needs of each entity for policy input and cost control.

3. The MEMBERS are each a public agency as defined by Government Code section 6500 et seq. and are each authorized and empowered to contract for the joint exercise of powers common to each agency.

4. By this Agreement, the MEMBERS now wish to jointly exercise their powers to provide for regional emergency and non-emergency dispatch services and related services, including but not limited to creation, development, ownership and operation of programs, facilities, and funds therefore through the establishment of the SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH JOINT POWERS AUTHORITY (the “AUTHORITY”).

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the MEMBERS agree as follows:

///

///

SECTION 1. POWERS AND PURPOSES

1.1 Authority Created. The AUTHORITY is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code of the State of California (the “Act”). The AUTHORITY shall be a public entity separate from the parties hereto and its debts, liabilities, and obligations shall not be the debts, liabilities, and obligations of its MEMBERS. The AUTHORITY shall, within 30 days after the Effective Date, cause a notice of this Agreement, and amended notices as necessary, to be prepared and filed with the Office of the Secretary of State, as required by Government Code section 6503.5.

1.2 Purpose of the Agreement; Common Powers to be Exercised. Each agency that is a party to this Agreement individually has the statutory authority to provide emergency and non-emergency dispatch and related services, as well as provide facilities and personnel for such services. In accordance with the Act, the purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth in this Agreement.

1.3 Powers. Pursuant to and to the extent required by the Act, the AUTHORITY shall be restricted in the exercise of its powers in the same manner as is each of its MEMBERS. The AUTHORITY shall have the common powers of the MEMBERS, and is authorized, in its own name, to do all acts necessary or convenient for the exercise of such powers, and all other acts authorized by statute, including, but not limited to any or all of the following:

- (a) To exercise the common powers of its MEMBERS in providing emergency and non-emergency dispatch services, including related operational services, and any service to contracting entities and those powers that may be conferred upon it by subsequently enacted legislation.
- (b) To make and enter into contracts, including contracts with its MEMBERS; provided, however, the AUTHORITY may not enter into real property development agreements pursuant to Government Code section 65865.

- (c) To assume any existing applicable contracts of its MEMBERS relating to the provision of emergency and non-emergency dispatch services, including related operational services.
- (d) To determine compensation and working conditions and negotiate contracts with employees and employee organizations of the AUTHORITY, if any.
- (e) To employ such agents, employees, and other persons as it deems necessary to accomplish its purpose and to receive, accept, and utilize the services of personnel offered by any of the MEMBERS, or their representatives or agents.
- (f) To lease, acquire, hold, and dispose of real and personal property.
- (g) To invest AUTHORITY reserve funds.
- (h) To incur debt, liabilities, or obligations, provided that all long-term bonded indebtedness, Certificates of Participation, or other long-term debt financing require the prior consent of the MEMBERS as set out in Section 6.8 hereof.
- (i) To sue and be sued in its own name.
- (j) To apply for grants, loans, or other assistance from persons, firms, corporations, or governmental entities.
- (k) To use any and all financing mechanisms available to the AUTHORITY, subject to the provisions of Section 6 of this Agreement.
- (l) To prepare and support legislation related to the purposes of the Agreement.
- (m) To lease, acquire, construct, operate, maintain, repair, and manage new or existing facilities as well as to close or discontinue the use of such facilities.
- (n) To levy and collect payments and fees for services.

- (o) To impose new special taxes or assessments as authorized by law and in coordination with the underlying jurisdiction.
- (p) To provide related services as authorized by law.
- (q) To contract for the services of attorneys, consultants, and other services as needed.
- (r) To purchase insurance or to self-insure and to contract for risk management services.
- (s) To adopt rules, regulations, policies, bylaws, and procedures governing operation of the AUTHORITY, including the determination of compensation of any Directors and employees of the AUTHORITY.
- (t) To exercise the power of eminent domain.
- (u) To receive, accept, expend, or disburse monies (by contract or otherwise) for purposes consistent with the provisions and purposes specified herein, and maintain at all times a complete and accurate system of accounting for said monies.
- (v) To contract with outside parties, the operating and administrative services of the AUTHORITY.
- (w) Notwithstanding the foregoing, the AUTHORITY shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth herein.

SECTION 2. TERM AND TERMINATION

2.1 Effective Date. This Agreement shall become effective as of July 1, 2015, or such later date agreed to in writing by MEMBERS.

2.2 Term. This Agreement shall continue in full force and effect without a specific term until it is terminated or rescinded upon the mutual written agreement of the original MEMBERS to this Agreement. The AUTHORITY may by a majority vote of the MEMBERS to

terminate this Agreement, or termination will occur automatically if only one member agency is left in the AUTHORITY.

2.3 Membership Term; Notice of Withdrawal. Original MEMBERS specifically agree to remain members of AUTHORITY for a minimum of ten (10) years after the effective date of the AUTHORITY. Subsequent members approved by the BOARD must specifically agree to remain members of AUTHORITY for a minimum of ten (10) years after joining the AUTHORITY. Any individual member agency can terminate membership in this Agreement after completing the 10th year of membership by providing notice to all other member agencies by resolution of intent to withdraw adopted by the governing board of the withdrawing party. The notice of intent to withdraw shall be given at least one (1) year before the start of the fiscal year in which it shall be effective, but in no circumstance will termination be effective until 10 years after becoming a member of AUTHORITY. The advance notice is intended to give MEMBERS sufficient time to make appropriate arrangements to provide emergency and non-emergency dispatch services. Upon the effective date of withdrawal, the withdrawing agency shall cease to be bound by this Agreement, except for any long-term financing obligations placed upon the withdrawing party under this Agreement.

2.4 Authority Approval. This Agreement may be terminated upon the consent of the AUTHORITY and the consent of each of the governing bodies of the original member agencies to terminate this Agreement. Any such termination shall provide that the effective termination date shall not occur unless MEMBERS have sufficient time to make appropriate arrangements to independently provide emergency and non-emergency dispatch services, but in no case more than 10 years after approval of termination by the governing bodies of the original member agencies.

2.5 Satisfaction of Obligations. Notwithstanding any other provision in this Agreement, in no event shall the exercise of the powers herein granted be terminated until all indebtedness, claims and liabilities incurred, including liability on Certificates of Participation or bonds, are fully and completely satisfied, or provision for the complete satisfaction of such obligations are made and approved by the AUTHORITY and MEMBERS.

2.6 Distribution of Surplus Property. Pursuant to the Act, upon termination of this Agreement, any surplus property owned or held by the AUTHORITY shall be distributed pro rata to the Federal, State, local agency, or member agency that provided the property. The parties shall use good faith efforts and fair dealing in processing and dividing any surplus property that cannot be attributed to any single member agency.

2.7 Distribution of Surplus Funds. Pursuant to the Act, any surplus money on hand after termination of the Agreement shall be returned to the funding source from which funds were furnished, or to the member agency making the contribution. The parties shall use good faith efforts and fair dealing in processing and dividing any surplus funds that cannot be attributed to any single member agency, keeping in mind the position of the parties before they entered into this Agreement.

SECTION 3. ORGANIZATION

3.1 Membership. The MEMBERS of AUTHORITY shall be the original parties to this Agreement that have not withdrawn from the AUTHORITY and those Public Agency Members who have met the minimum criteria as established by the Board and are approved to be added as MEMBERS of AUTHORITY by a majority vote of the MEMBERS (the “Original Member Agency”). In addition, any city or public entity may join the AUTHORITY as non-voting members after execution of this Agreement on terms and conditions approved by the AUTHORITY.

3.2 Board Structure. The AUTHORITY shall be governed by a Board of Directors (“BOARD”) consisting of not more than one representative from each Original Member Agency or as set forth in the bylaws adopted by the BOARD. Each Director shall have one vote.

3.3 Appointment of Directors by Member Agencies.

The BOARD members shall be appointed as follows:

- (a) Each Original Member Agency, by resolution of its governing body, shall appoint the Fire Chief or designated Fire Department alternate Director to serve on the AUTHORITY’s BOARD. Each Original Member Agency shall also appoint by resolution of its governing body an alternate to act in

each Director's absence. Each Director and alternate shall serve at the pleasure of his or her appointing body and may be removed at any time, with or without cause, at the sole discretion of that appointing body. Any vacancy shall be filled in the same manner as the original appointment of a Director and/or alternate.

- (b) The term of office for Directors shall be July 1 of each year from the Effective Date of the AUTHORITY in the year of its formation, to and including the following June 30 of the following year and from July 1 to and including the following June 30 for every year thereafter. A Director can serve multiple terms at the discretion of the appointing body pursuant to their respective adopted policies.
- (c) The Directors and their alternates shall not receive any compensation for serving as such. However, with approval of the BOARD, a Director or alternate may be reimbursed for reasonable expenses incurred in the conduct of the business of the AUTHORITY.
- (d) Pursuant to Government Code section 6505, the BOARD is designated as the administrator of this Agreement and the AUTHORITY's affairs, and shall perform its duties and responsibilities in accordance with all provisions of this Agreement.

3.4 Principal Office. The principal office of the AUTHORITY shall be the Fire Department Headquarters of the City of Stockton or as may be otherwise designated by the AUTHORITY from time to time.

3.5 Regular Meetings. The BOARD shall hold at least one meeting annually and may hold additional meetings as determined by the BOARD and as may be established by its bylaws. All meetings of the BOARD shall be called, noticed, held, and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (§§ 54950-54961)) or any successor legislation hereinafter enacted.

3.6 Minutes. The appointed clerk of the AUTHORITY shall cause minutes of all meetings of the BOARD to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director of the BOARD and to the respective governing bodies of each of the member agencies.

3.7 Quorum. A majority of the Directors of the BOARD shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

3.8 Officers. The BOARD shall elect from among its Directors a chair and vice-chair and thereafter at the first meeting in each fiscal year, the BOARD shall elect or re-elect a chair and vice-chair. In the event that the chair or vice-chair ceases to be a Director, the resulting vacancy shall be filled in the same manner at the next regular meeting of the BOARD held after such vacancy occurs. In the absence or inability of the chair to act, the vice-chair shall act as chair. The BOARD may also appoint a clerk of the AUTHORITY and such other officers as it deems necessary pursuant to Section 3.12 below.

3.9 Rules. The BOARD may adopt from time to time such bylaws, rules, and regulations for the conduct of its affairs that are not in conflict with this Agreement, as it may deem necessary.

3.10 Committees. The BOARD may establish standing or ad hoc committees or subcommittees composed of BOARD members, staff, and/or the public to make recommendations on specific matters.

3.11 Employer-Employee Relations. The BOARD shall as necessary adopt by majority vote Employer-Employee Relations Procedures and Personnel Rules and Regulations applicable to the AUTHORITY for any employees of the AUTHORITY.

3.12 Officers; Duties; Bonds. As determined by the BOARD, the Officers of the AUTHORITY shall be the Executive Director, General Counsel, Clerk, and Finance Director-Treasurer/Controller.

- (a) An Executive Director may be appointed by the BOARD and shall be an at-will employee that serves at the pleasure of the BOARD. If appointed, the Executive Director shall:
 - (1) Direct all subordinate officers and employees;
 - (2) Appoint and remove all employees of AUTHORITY, if any;
 - (3) Attend all meetings of the BOARD unless excused therefrom;
 - (4) Prepare and submit to the BOARD the annual budget for the AUTHORITY;
 - (5) Promulgate administrative and personnel rules and regulations as necessary for the conduct of the operations of AUTHORITY; and
 - (6) Perform such other duties and exercise such other powers as directed by the BOARD.
- (b) The AUTHORITY shall appoint a Clerk of the BOARD.
- (c) AUTHORITY shall appoint a Finance Director - Treasurer/Controller who shall serve as the depositary of the AUTHORITY to have custody of all the money of the AUTHORITY, from whatever source, and, as such, shall have the powers, duties, and responsibilities specified in the Act, and shall be designated as the public officer or person who has charge of, handles, or has access to any property of the AUTHORITY, and such officer shall file an official bond in the amount of \$25,000 as required by the Act; provided, that such bond shall not be required if the AUTHORITY does not possess or own property or funds with an aggregate value of greater than \$500.
- (d) The AUTHORITY shall appoint a General Counsel to serve as primary General Counsel to the AUTHORITY.
- (e) The BOARD may contract with any member agency of MEMBERS to provide necessary administrative and support services to the AUTHORITY as appropriate. Any administrative duties also may rotate

from year to year. The AUTHORITY shall reimburse MEMBERS, or its Officers, for services provided under this section in accordance with the normal and usual rates and/or contractual provisions used by that member agency or its Officers.

- (f) Unless and until changed by resolution of the BOARD, the fiscal year of the AUTHORITY shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the effective date of this Agreement up to and including June 30, 2016.

SECTION 4. TRANSFER OF DISPATCH OPERATIONS; CONTRIBUTIONS AND ADVANCES; CONTRACTING SERVICES

4.1 Transition Team; List of Assets and Liabilities. The MEMBERS shall designate a transition team to plan for and implement the transfer of emergency and non-emergency dispatch services to AUTHORITY. The transition team shall also plan for and implement the transfer of assets and liabilities from the MEMBERS to the AUTHORITY which is necessary to achieve the purposes of this Agreement. An up-to-date list of all personnel, employment agreements, assets (including but not limited to real property, equipment, reserves, contracts, and deposits), and all known liabilities shall be prepared by the transition team and submitted to the BOARD.

4.2 Transfer of Assets and Liabilities. The transition team will prepare a plan for transition of assets, liabilities, and services for approval by the BOARD. Before the transfer of any assets, the AUTHORITY and the MEMBER shall come to an agreement concerning the transfer, use, maintenance, and return of any assets, including transition to a joint asset.

4.3 Personnel. The MEMBERS agree that human resources, administrative, and operational services may be provided through an Operating Agreement with the understanding that the AUTHORITY may provide its own such service at a future date. Pursuant to Government Code section 53291, the AUTHORITY may prescribe the qualifications and conditions under which employees of MEMBERS will become employees of the AUTHORITY. The AUTHORITY shall comply with the provisions of Government Code section 53292 to the extent applicable to the AUTHORITY.

4.4 Public Funds, Personnel, Equipment, or Property. Contributions or advances of public funds and of personnel, equipment, or property may be made to the AUTHORITY by any MEMBERS for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advances shall be made subject to repayment, and shall be repaid, in the manner agreed upon by MEMBERS and the AUTHORITY at the time of making such advance.

4.5 Assets; Transition Plan; FCC License. All MEMBERS' assets included in the Transition Plan for transfer to AUTHORITY, including but not limited to real property and personal property and equipment and apparatus, shall transfer to the AUTHORITY in their "as is" condition as of the date specified in the Transition Plan. MEMBERS agree to execute any and all documents necessary to affect the transfer of assets and liabilities to the AUTHORITY in accordance with the approved Transition Plan. The Transition Plan shall also address the use/ownership of FCC Radio frequency licenses until such time as the AUTHORITY and Member Agencies, and any contracting entities as applicable, agree to transfer said frequencies to the AUTHORITY. Once transferred, the frequencies are not eligible to be severed from the AUTHORITY.

4.6 Contracts. All existing agreements and contracts involving emergency and non-emergency dispatch services by MEMBERS or its personnel shall be assigned to the AUTHORITY as of the date specified in the approved Transition Plan, with any service or obligation to be provided or performed thereafter by the AUTHORITY as identified in the Transition Plan. A list of all such contracts shall be developed during the transition period. The AUTHORITY agrees to assume all of the obligations, duties, and liabilities of the MEMBERS under said agreements and contracts.

4.7 Capital Expenditures; Equipment; Facilities. Capital improvements shall be funded and insured as provided in the cost-sharing formula adopted by the BOARD and the MEMBERS.

4.8 Contracting With Outside Entities. As part of its operation, outside entities may contract with the AUTHORITY for the provision of emergency and non-emergency services. As

part of its annual budget process, the AUTHORITY shall determine the service charge amounts owing from contracting entities. This amount shall be referred to as the “Service Charge.” The Service Charge shall consist of the annual cost for operational services consistent with the cost calculation methodology in place on the Effective Date of the Operating Agreement, or such later date as a contracting entity contracts with the AUTHORITY for service and will include the annual percentage charge in the cost of emergency and non-emergency dispatch system operations. The cost calculation methodology shall include the cost of any proportional share of any long-term debt repayment obligations, maintenance and repairs, and other costs as determined by the BOARD.

SECTION 5. LIABILITY

The AUTHORITY shall assume responsibility for any and all loss, litigation, liability, injury, damage, claim, demand, and tort or workers compensation incidents that occur on or after the date personnel or contracts are transferred to the AUTHORITY. The MEMBERS shall retain responsibility and liability for any and all such incidents that occur prior to the transfer and shall retain all risk management reserves that have been set aside for such prior incidents. The AUTHORITY may contract with an individual Member Agency of MEMBERS to receive risk management services on such terms as agreed to by the AUTHORITY and the Member Agency.

SECTION 6. FUNDING OF OPERATIONS

6.1 Fiscal Year. For financial recordkeeping and operations, the fiscal year of the AUTHORITY shall begin each July 1, and complete the following June 30.

6.2 General Budget. Within sixty (60) days after the first meeting of the BOARD, a preliminary general budget for the initial fiscal year shall be adopted by majority vote of the BOARD. The initial budget and each succeeding budget shall include, but not be limited to, the following:

- (1) The general administrative expenses, operating expenses, and necessary reserves of the AUTHORITY to be incurred during the period covered by the budget.
- (2) The allocation of costs to the MEMBERS in the amounts necessary to cover the budget adopted by the BOARD.

(3) Thereafter, at or prior to the last meeting of the BOARD for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of the BOARD.

(4) All expenditures within the designations and limitations of the approved general budget shall be made on the authorization of a majority vote of the BOARD.

6.3 Operation Costs. Operation costs of the AUTHORITY shall be allocated between MEMBERS and any outside entities in accordance with a cost-sharing formula adopted by the BOARD. The cost-sharing formula shall be set forth annually as part of the approved annual budget.

6.4 Cost Allocation Formula. Contributions by MEMBERS to the AUTHORITY will be evaluated annually as part of the budget cycle to provide the ability to adjust service levels as determined by a majority vote of the BOARD. MEMBERS shall pay a portion of the costs incurred by the AUTHORITY in providing the services described in this Agreement. The BOARD, in adopting a budget, shall determine each MEMBER's contribution for the fiscal year. The contribution of each MEMBER agency shall be determined by the percentage of number of annual dispatch service calls attributable to each MEMBER agency, divided by the total annual dispatch services calls to all MEMBER agencies during the calendar year preceding the Fiscal Year for which the MEMBER's fair share percentage is being calculated, offset by any applicable revenue received from any contracting entities. Once determined for any budget cycle year, MEMBER contributions shall remain unchanged until the next budget cycle. The use of an alternative method for determining MEMBER contributions requires a two-thirds (2/3) vote of the BOARD.

6.5 Revenue and Tax Sharing Agreements. Any agreements related to funding of emergency and non-emergency dispatch services and related operations existing prior to the Effective Date shall, to the greatest extent practicable, be transferred to the AUTHORITY or integrated into this Agreement, if applicable.

6.6 Alternative Funding Sources. Each MEMBER shall support opportunities for development of alternate funding sources.

6.7 Determination of Level of Technology Funding. The governing body of each MEMBER shall determine the kind and level of technology to enable that MEMBER to receive emergency and non-emergency dispatch services from the AUTHORITY and shall provide funding for the AUTHORITY to provide that service.

6.8 Approval of Bonded Indebtedness. By a two-thirds (2/3) vote of the BOARD, the AUTHORITY may authorize the issuance of any long-term bonded indebtedness. Any MEMBER that withdraws from the AUTHORITY pursuant to Section 2 above shall, after ceasing to be a MEMBER, be responsible for payment of its proportional share of any bonded indebtedness approved by the AUTHORITY while it was a Member.

SECTION 7. ACCOUNTING AND AUDITS

7.1 Maintenance of Books. Full books and accounts shall be maintained for the AUTHORITY in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the AUTHORITY's Finance Director - Treasurer/Controller shall comply strictly with requirements governing joint powers agencies pursuant to the Act.

7.2 Audit. The records and accounts of the AUTHORITY shall be audited annually by an independent certified public accountant and copies of the audited financial reports, with the opinion of the independent certified public accountant, shall be filed with the County Auditor, the State Controller, and each MEMBER within six (6) months of the end of the fiscal year under examination.

SECTION 8. INDEMNIFICATION AND INSURANCE

8.1 No Vicarious Liability. Pursuant to Government Code section 820.9, as may be amended, members of the Board of Directors for the AUTHORITY are not vicariously liable for injuries caused by the act or omission of the AUTHORITY or any of its MEMBERS. Nothing in this section exonerates an official from liability for injury caused by that individual's own wrongful conduct. Nothing in this section affects the immunity of any other public official.

8.2 Indemnification of MEMBERS. Except as provided in Section 8.7 below, from and after the Effective Date, the AUTHORITY shall defend, indemnify, and hold harmless the

MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to the performance of services pursuant to this Agreement.

8.3 Indemnification for Services Transferred. Except as provided in Section 8.7 below, from and after the Effective Date, the AUTHORITY shall defend, indemnify, and hold harmless the MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any contract or agreement assumed by or otherwise transferred to AUTHORITY.

8.4 Indemnification for Transfer of Assets. Except as provided in Section 8.7 below, from and after the date of transfer, the AUTHORITY shall defend, indemnify, and hold harmless the MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any MEMBER asset transferred to the AUTHORITY, including but not limited to real property, personal property, equipment, and apparatus.

8.5 Worker's Compensation. As to any employees of the AUTHORITY, including any employees transferred to the AUTHORITY, AUTHORITY shall maintain during the term of this Agreement workers compensation insurance as required by law.

8.6 General Liability Insurance. AUTHORITY shall maintain general comprehensive liability insurance in the minimum limit of \$5,000,000 combined single limit per occurrence and annual aggregate. MEMBERS shall be named as an additional insured on the general comprehensive liability policy. Alternatively, the AUTHORITY may self-insure in a minimum amount of \$5,000,000.

8.7 Indemnification by MEMBERS to AUTHORITY. From and after the Effective Date, MEMBERS shall defend, indemnify, and hold harmless the AUTHORITY, the AUTHORITY Directors, officers, employees, agents, and representatives, each individual

MEMBER, and its respective officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of the MEMBER's actions or omissions prior to the Effective Date of this Agreement that related to the provision of emergency and non-emergency dispatch services and related operations. The MEMBERS agree, pursuant to Government Code sections 895.4 and 6508.1, that MEMBERS shall indemnify and contribute to satisfaction of such judgment against AUTHORITY, the AUTHORITY Directors, officers, employees, agents, and representatives upon any liability arising out of the performance of this Agreement in proportion to that MEMBER's contribution to the AUTHORITY budget in the fiscal year in which an incident causing such liability occurs. The MEMBERS further agree that the provisions of Article 4 (commencing with section 825), Chapter 4, Part 2, Division 3.6, Title 1 of the Government Code shall apply to issues related to indemnification of MEMBERS or AUTHORITY Directors, officers, employees, agents, and representatives.

8.8 No Waiver of Defenses. Notwithstanding Section 8.7 above, the MEMBERS agree that no immunity or defense available to the MEMBERS under State or Federal law or regulation shall be waived with respect to any third party claim.

SECTION 9. CONFLICT OF INTEREST CODE

The AUTHORITY, to the extent required by law, shall adopt a Conflict of Interest Code.

SECTION 10. BREACH

If default shall be made by any MEMBER or the AUTHORITY in any covenant contained in this Agreement or the Operating Agreement, such default shall not excuse the MEMBER or the AUTHORITY from fulfilling its obligations under this Agreement and all MEMBERS shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. MEMBERS hereby declare that this Agreement is entered into for the benefit of the AUTHORITY created hereby and grant to the AUTHORITY the right to enforce by whatever lawful means the AUTHORITY deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the AUTHORITY hereunder

or by any law now or hereafter enacted are cumulative and exercise of one right or remedy shall not impair the right of the AUTHORITY to any or all other remedies.

SECTION 11. MISCELLANEOUS PROVISIONS

11.1 Agreement Not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between MEMBERS, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

11.2 Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby.

11.3 Successors and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the MEMBERS. Except to the extent expressly provided herein, MEMBERS may not assign any right or obligation hereunder without the prior written consent of the BOARD.

11.4 Amendment of Agreement. This Agreement may be amended and the AUTHORITY may be terminated or its powers may be changed, restricted, or eliminated by supplemental agreement executed by MEMBERS at any time.

11.5 Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given by resolution duly adopted by the respective governing body of each member agency and in the case of the AUTHORITY, by resolution duly adopted by the BOARD. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

11.6 Notices. Notices to MEMBERS shall be sufficient if delivered to the City Clerk of each MEMBER.

///

///

11.7 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

ATTEST:

LATHROP-MANTECA FIRE DISTRICT
A Fire Protection District

By: _____
Clerk of the Board

By: _____
Fire Chief

APPROVED AS TO FORM:

General Counsel

ATTEST:

CITY OF LODI
A Municipal Corporation

By: _____
Jennifer M. Ferraiolo, City Clerk

By: _____
Steve Schwabauer
City Manager

APPROVED AS TO FORM:

Janice Magdich
City Attorney, City of Lodi 

ATTEST:

CITY OF MANTECA
A Municipal Corporation

By: _____
City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

City Attorney, City of Manteca

ATTEST:

CITY OF STOCKTON
A Municipal Corporation

By: _____
Bonnie Paige, City Clerk

By: _____
Kurt Wilson
City Manager

APPROVED AS TO FORM:

Susana Alcala Wood
Assistant City Attorney



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing the City of Lodi to Join the California Statewide Communities Development Authority (CSCDA) Open Property Assessed Clean Energy (PACE) Program

MEETING DATE: July 15, 2015

PREPARED BY: Business Development Manager

RECOMMENDED ACTION: Adopt resolution authorizing the City of Lodi to join the California Statewide Communities Development Authority (CSCDA) Open Property Assessed Clean Energy (PACE) Program.

BACKGROUND INFORMATION: In July 2008, the Governor signed Assembly Bill (AB) 811 into law which authorized cities and counties to establish PACE programs to enter into contractual assessment agreements with property owners to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to real property. An AB 811 program allows municipalities to make assessment financing available to property owners for the purchase and installation of such improvements. Property owners repay the financing through an assessment on their properties. The assessments are recorded as a lien against the subject property, entered in the county tax roll, and are collected on the property owner's tax bills at the same time and in the same manner as property taxes.

The Open PACE Program has been established by the League of California Cities and the California Statewide Communities Development Authority (CSCDA) to allow owners of residential and commercial property in participating cities and counties to finance a variety of improvements authorized by Chapter 29 of Division 7 of the Streets & Highways Code, as amended ("Chapter 29"), including, but not limited to, renewable energy, energy and water efficiency improvements, seismic strengthening improvements and electric vehicle charging infrastructure. CSCDA is a joint exercise of powers authority sponsored by the League of California Cities and the California State Association of Counties. The member agencies include 56 counties and more than 500 local agencies throughout California, including the City of Lodi.

If a property owner chooses to participate, the improvements will be financed by the issuance of bonds by CSCDA. CSCDA will levy contractual assessments on the owner's property to repay the portion of the bonds issued to finance the improvements on that property. CSCDA has selected AllianceNRG Program (presently consisting of Deutsche Bank Securities, Inc.; CounterPointe Energy Solutions, LLC; and Leidos Engineering, LLC) and Renewable Funding, LLC, to provide administration and financing for the program.

The contractual assessment proceedings will be undertaken by CSCDA pursuant to Chapter 29, to allow the financing of the improvements on private property that are authorized by Chapter 29. Pursuant to

APPROVED: _____
Stephen Schwabauer, City Manager

Chapter 29, assessments may be levied to finance improvements only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied, and property owners evidence their consent to the assessments by executing a contract with CSCDA. Only property owners who choose to participate in the program will have assessments imposed on their property. Under California law, the assessment obligation transfers with the property upon sale.

The City is not obligated to repay the bonds issued by CSCDA or to pay the assessments levied on the participating properties. CSCDA handles all assessment administration, bond issuance and bond administration functions. This program allows for financing of Chapter 29-authorized improvements to property owners through the Open PACE Program without the commitment of staff and resources to administer the program.

The proposed resolution authorizes CSCDA to accept applications from owners of property within the City's jurisdiction for municipal financing of authorized improvements through the Open PACE Program. It also authorizes CSCDA to conduct assessment proceedings and levy assessments against the property of participating owners within the incorporated territory of the City. As with previously-adopted PACE programs, a jurisdiction can withdraw from the Open PACE Program at any time by passing a resolution rescinding the authorization.

Certain mortgage providers - such as Fannie Mae and Freddie Mac – may require that the assessment be paid off at the time the property is refinanced or sold, because they do not purchase properties with PACE liens on them. Some lenders have concerns with PACE assessments being the superior lien (with the lender's lien being subordinate). In order to ease these concerns, the California Alternative Energy and Transportation Financing Authority approved a \$10 million dollar loss reserve program that will reimburse the first mortgage lender for the PACE payments made while in possession of the property during foreclosure. The property taxes for properties in the City that do not choose to participate will not be affected by the Program.

The CSCDA Open PACE Program is not an exclusive obligation, so the City retains the ability to participate in any available PACE programs.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Adam Brucker
Business Development Manager

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY OF LODI TO JOIN THE CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT AUTHORITY (CSCDA) OPEN
PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

=====

WHEREAS, the California Statewide Communities Development Authority (“Authority”) is a joint exercise of powers authority, the members of which include numerous cities and counties in the State of California, including the City of Lodi (“City”); and

WHEREAS, the Authority is implementing Property Assessed Clean Energy (PACE) programs, which it has designated CSCDA Open PACE, consisting of CSCDA Open PACE programs each administered by a separate program administrator (collectively with any successors, assigns, replacements or additions, the “Programs”), to allow the financing or refinancing of renewable energy, energy efficiency, water efficiency, and seismic strengthening improvements; electric vehicle charging infrastructure; and such other improvements, infrastructure or other work as may be authorized by law from time to time (collectively, the “Improvements”) through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code (“Chapter 29”) within counties and cities throughout the State of California that consent to the inclusion of properties within their respective territories in the Programs and the issuance of bonds from time to time; and

WHEREAS, the program administrators currently active in administering Programs are the AllianceNRG Program (presently consisting of Deutsche Bank Securities, Inc.; CounterPointe Energy Solutions, LLC; and Leidos Engineering, LLC) and Renewable Funding, LLC, and the Authority will notify the City in advance of any additions or changes; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied; and

WHEREAS, the City desires to allow the owners of property (“Participating Property Owners”) within the incorporated area of the City to participate in the Programs and to allow the Authority to conduct assessment proceedings under Chapter 29 within the incorporated territory of the City and to issue Bonds under the 1915 Act to finance or refinance the Improvements; and

WHEREAS, the territory within which assessments may be levied for the Programs shall include all of the territory within the City’s official boundaries; and

WHEREAS, the Authority will conduct all assessment proceedings under Chapter 29 for the Programs and issue any bonds issued in connection with the Programs; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of any other bonds issued in connection with the Programs.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council:

Section 1. Finds and declares that properties in the City’s incorporated area will benefit from the availability of the Programs within the incorporated territory of the City and, pursuant thereto, the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 and the issuance of Bonds to finance or refinance Improvements.

Section 2. In connection with the Programs, hereby consents to the conduct of special assessment proceedings by the Authority pursuant to Chapter 29 on any property within its jurisdiction and the issuance of Bonds to finance or refinance Improvements; provided that

- (1) The Participating Property Owners, who shall be the legal owners of such property, execute a contract pursuant to Chapter 29 and comply with other applicable provisions of California law in order to accomplish the valid levy of assessments; and
- (2) The City will not be responsible for the conduct of any assessment proceedings; the levy or collection of assessments or any required remedial action in the case of delinquencies in such assessment payments; or the issuance, sale or administration of the Bonds or any other bonds issued in connection with the Programs.

Section 3. The appropriate officials and staff of the City are authorized, but not required, to make applications for the Programs available to all property owners who wish to finance or refinance Improvements; provided that the Authority shall be responsible for providing such applications and related materials at its own expense.

Section 4. The appropriate officials and staff of the City are hereby authorized to execute and deliver such certificates, requisitions, agreements and related documents as are reasonably required by the Authority to implement the Programs.

Section 5. The City Council hereby finds that adoption of this Resolution is not a "project" under the California Environmental Quality Act, because the Resolution does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4).

Section 6. This Resolution shall take effect immediately upon its adoption. The City Clerk is hereby authorized and directed to transmit a certified copy of this Resolution to the Secretary of the Authority at: Secretary of the Board, California Statewide Communities Development Authority, 1400 K Street, Sacramento, California, 95814.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2
MEETING DATE: July 15, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Receive update on emergency condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2.

BACKGROUND INFORMATION: White Slough Water Pollution Control Facility (WSWPCF) has four covered anaerobic digesters that serve the purpose of breaking down sewage sludge that enters the plant. On July 16, 2014, Council declared an emergency condition in response to concurrent roof failures on Digesters No. 1 and No. 2. Public contract code requires Council to review the emergency action at its next regularly-scheduled meeting and each regularly-scheduled meeting thereafter until the emergency is terminated.

The completed Digester No. 2 became operational on April 6, 2015.

Work to install the digester mixing and electrical systems along with the new cover installation on Digester No. 1 is expected to be complete by late July.

The procurement and construction schedule reflecting project milestones is provided below. The work is progressing on the original schedule, and there is no substantial change from last report.

Project Definition Meeting	July 21, 2014
Issue Final Contract Documents	August 1, 2014
Receive GMP Proposals	August 20, 2014
Issue Notice to Proceed	September 15, 2014
Complete Digester No. 2 Improvements	April 2, 2015
Complete Digester No. 1 Improvements	August 27, 2015

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Charlie Swimley, City Engineer / Deputy Public Works Director
FWS/CES/tb

cc: Associate Civil Engineer Nathan
Wastewater Plant Superintendent

Charlie Swimley, City Engineer / Deputy Public Works Director
Construction Project Manager

APPROVED: _____
Stephen Schwabauer, City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Receive Report on Drought Emergency, Compliance Progress with State Drought Regulations, and Water Conservation Outreach and Approve Expansion of Rebate Program

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Receive report on drought emergency, compliance progress with State drought regulations, and water conservation outreach and approve expansion of rebate program.

BACKGROUND INFORMATION: On January 17, 2014, the Governor of the State of California proclaimed a state of emergency in the State of California due to drought conditions in the state. On April 25, 2014, the Governor proclaimed a continued state of emergency in the State of California due to drought conditions that have persisted for the last three years. The duration of this drought is unknown. On May 21, 2014, the City Council adopted a resolution finding the existence of a drought emergency and supported the Public Works Director in declaring a Stage 1 water emergency in Lodi. On February 26, 2015, the Public Works Director declared a Stage 2 water emergency and on May 1, 2015, in response to additional State regulations, the Public Works Director declared a Stage 3 water emergency.

On March 27, 2015, the Office of Administrative Law (OAL) approved emergency regulatory action submitted by the State Water Resources Control Board (SWRCB) thereby establishing emergency regulations. On April 1, 2015, the Governor issued an Executive Order effective immediately. On May 5, 2015, the SWRCB adopted the statewide net 25 percent mandatory water conservation regulation (Attachment A) to implement the mandatory conservations measures contained in the Governor's Executive Order (Lodi's conservation requirement was initially higher at 36 percent).

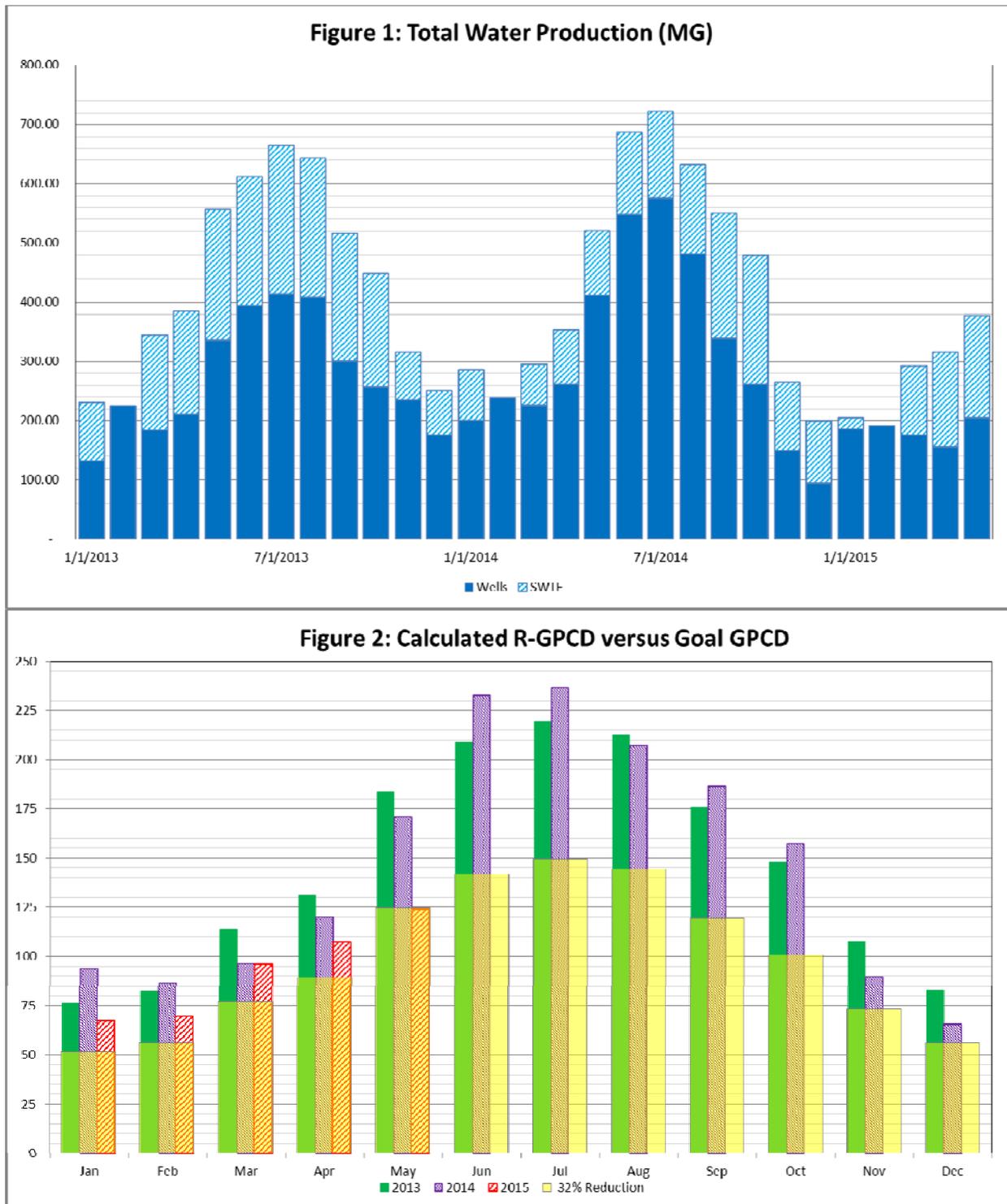
The above actions are further discussed below and the impacts to the City are described. This report will also present information regarding the City's compliance with the OAL regulatory action and the Governor's Executive Order regulations.

Regulatory Requirements

In late May 2015, City staff supplied documentation (prepared by the Reed Group, Inc.) to the SWRCB which revised the percent residential calculation. This revision, based on actual metered residential water use, reduced the residential water use percentage from 72.6 percent to 64.7 percent. This revision was approved by the SWRCB on May 28, 2015 and qualified the City to be placed in Tier 8 of the SWRCB requirements; reducing the compliance target from 36 percent to 32 percent for residential water use reduction compared to 2013.

APPROVED: _____
Stephen Schwabauer, City Manager

The following Figure 1 presents the total water production since January 2013 and Figure 2 presents the revised water reduction goal versus actual residential water use measured in gallons per capita per day (R-GPCD).



In May 2015, the City met the 32 percent water use reduction compared to May 2013. While this is good, the water use reduction is reviewed on a monthly basis.

Beginning in August 2014, the City has been reporting on a monthly basis to the SWRCB, at www.drinc.ca.gov, water production, residential water use, and conservation data. Beginning in June 2015, the City is also required to report commercial, industrial, and institutional water use.

Water Conservation Outreach

In the past three years, the Water Conservation program has been expanding the outreach to the public. Initially, the program switched from participating once a year with a booth at the Lodi Grape Festival to having a booth (from monthly to every 3 weeks in 2015) at the Lodi Farmer's Market. Also, water conservation staff has participated at several outreach events, both in Lodi and regionally. These include two "Water Conservation and You!" events at Hutchins Street Square (Attachment B), as well as co-sponsoring and presenting at the recent "Get Ahead or Get Parched" workshop for landscape irrigation managers last month, presented by Department of Water Resources and California Center for Urban Horticulture (Attachment C).

Additionally, the program has been expanding its education and outreach to include the following:

- Water Conservation Door Hanger (Attachment D) – this door hanger will be distributed to every home in the City. Areas with multiple water conservation violations will be prioritized and be distributed to first.
- Stage 3 Restrictions Advertisement – the Lodi News Sentinel is planning a special drought section in the June 30, 2015 edition. The City has ordered an advertisement (Attachment E) to be placed in both the main paper on Saturday, June 27, 2015, as well as the special drought section.
- Development of a water conservation advertisement to be placed on City buses (currently in development).
- Participation in a Watershed Open House with the National Night Out Block Captains on Thursday, July 16, 2015. This event will present information on water conservation, understanding the water conservation ordinance and rebate program, in addition to watershed protection, what is a watershed and how neighborhoods can prevent street pollution from entering our waterways, and water production, where Lodi's drinking water comes from and a tour of the water plant.

Staff continues to explore various outreach methods to educate Lodi citizens of the need for water conservation, especially during the drought.

Water Conservation Rebates

The Water Conservation Rebate program began on June 15, 2001. Rebates were offered on select items such as ultra-low flow toilets, hot water heater blankets, low flow shower heads, and manual hose bib timers. Initially the program only allowed rebates for items purchased at these designated stores.

- Ace Hardware, 872 West Kettleman Lane
- Henderson Company, Inc., 21 South Sacramento Street
- Orchard Super Hardware, 360 South Cherokee Lane
- Super Plumbing Supply, 1435 Academy Street
- Wal-Mart, 2350 West Kettleman Lane

From January 2006 to December 2010, there were 113 items rebated to participating stores, totaling almost \$5,000 over the 5 year period.

Since 2012 the program no longer requires the rebates to go through participating stores (in 2011 only one retailer, Orchard Supply Hardware, was still participating). Instead, rebate items can be purchased from any retailer and the Lodi resident (water utility customers only) submits the completed rebate form and receipt within 120 days of purchase. Once received, the rebate request is reviewed and if approved, rebate checks are sent directly to the customer. In 2013, two new items were added to the rebate program; EPA WaterSense certified toilets and replacement automatic sprinkler timers.

From January 2011 to May 2015, there were 491 items rebated to 277 customers, totaling just over \$28,000 over the four and a half year period.

In 2015, three new items are planned to be added to the rebate program. These include the following rebates:

- EPA WaterSense Certified Showerhead \leq 2.0 gpm (50 percent off cost up to \$100 each)
- Rain Barrel (50 percent off cost up to \$100 each)
- Energy Star Certified High Efficiency Clothes Washer with water factor of \leq 4.0 (Per EnergyStar.gov) (\$100 each) This washer would also qualify for an Electric Utility energy efficiency rebate (\$100 each).

With Council approval, these rebate items will be added to the existing suite of rebates.

FISCAL IMPACT: Not applicable

FUNDING AVAILABLE: Not applicable

F. Wally Sandelin
Public Works Director

**State of California
Office of Administrative Law**

In re:
State Water Resources Control Board

Regulatory Action:

Title 23, California Code of Regulations

Adopt sections: 863, 864, 865, 866

Amend sections:

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

**Government Code Sections 11346.1 and
11349.6; Water Code Section 1058.5**

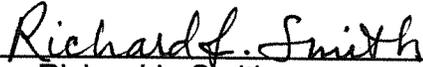
OAL File No. 2015-0506-02 EE

The State Water Resources Control Board submitted this action to readopt and further amend three sections, adopted in OAL file no. 2014-0718-01E and readopted in OAL file no. 2015-0320-01EE, and to adopt a new section in title 23 of the California Code of Regulations pertaining to drought emergency water conservation. The updated regulations are intended to safeguard urban water supplies in the event of continued drought, minimize the potential for waste and unreasonable use of water, and achieve the 25 percent statewide potable water usage reduction ordered by Governor Brown in his April 1, 2015 executive order.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code and section 1058.5 of the Water Code.

This emergency regulatory action is effective on 5/18/2015 and will expire on 2/13/2016. The Certificate of Compliance for this action is due no later than 2/12/2016.

Date: 5/18/2015


Richard L. Smith
Senior Attorney

For: DEBRA M. CORNEZ
Director

Original: Thomas Howard
Copy: David Rose

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2015-0506-02EE
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
<p style="text-align: center;">2015 MAY -6 PM 4:13</p> <p style="text-align: center;">OFFICE OF ADMINISTRATIVE LAW</p>			
AGENCY WITH RULEMAKING AUTHORITY State Water Resources Control Board			AGENCY FILE NUMBER (if any)

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAY 18 2015
2:03 PM

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		ACTION ON PROPOSED NOTICE		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Drought Emergency Water Conservation		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) OAL File No. 2014-0718-01-E; 2015-0320-01EE	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT 863, 864, 865, 866 per agency request	
TITLE(S) 23		AMEND	
3. TYPE OF FILING		REPEAL	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	
<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only		<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input checked="" type="checkbox"/> Other (Specify) <u>Emerg. Readopt (Wat. Code 1058.5(c))</u>	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))		<input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify)	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)		<input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			
7. CONTACT PERSON David Rose		TELEPHONE NUMBER 916-341-5196	FAX NUMBER (Optional) 916-341-5199
		E-MAIL ADDRESS (Optional) david.rose@waterboards.ca.gov	

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Thomas Howard</i>	DATE 5/6/15
TYPED NAME AND TITLE OF SIGNATORY Thomas Howard, Executive Director, State Water Resources Control Board	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAY 18 2015

Office of Administrative Law

ADOPTED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation.

Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(34) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(45) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(56) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, and 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks;

- (4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;
- (5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall; ~~and~~
- (6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;:
- (7) The irrigation with potable water of ornamental turf on public street medians;
and
- (8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.
- (b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.
- (c) Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 865, shall either:
- (1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or
- (2) Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015 through February 2016 as compared to the amount used from those sources for the same months in 2013.
- (ed) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivisions (b) or (c), ~~in addition to any other applicable civil or criminal penalties,~~ is an infraction; punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, ~~and~~ 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 865. Mandatory Actions by Water Suppliers.

- (a) As used in this section:
- (1) "Distributor of a public water supply" has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.
- (2) "R-GPCD" means residential gallons per capita per day.
- (3) "Total potable water production" means all potable water that enters into a water supplier's distribution system, excluding water placed into storage and not

withdrawn for use during the reporting period, or water exported outside the supplier's service area.

~~(a)(4) The term "Urban water supplier," when used in this section, refers to means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.~~

~~(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that includes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed, or shall amend its water shortage contingency plan to include mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed and implement these restrictions within forty five (45) days. Urban water suppliers with approved alternate plans as described in subdivision (b)(2) are exempted from this requirement.~~

~~(2) An urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.~~

~~(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan that restricts the number of days that outdoor irrigation of ornamental landscapes and turf with potable water is allowed, or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within forty five (45) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.~~

~~(db) In furtherance of the promotion of water conservation each urban water supplier shall:~~

~~(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control.~~

~~(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.~~

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's April 1, 2015 Executive Order, each urban water supplier shall reduce its total potable water production by the percentage identified as its conservation standard in this subdivision. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region in which the water supplier is located, and that has a minimum of four years' reserved supply available, may submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required under paragraphs (3) through (10), the urban water supplier shall reduce its total potable water production by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier has a minimum of four years' reserved supply available.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

(10) Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier shall comply with the conservation standard specified in subdivision (c).

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its

potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); and

(D) Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.

(2) Submitting any information pursuant to subdivision (e)(1)(B) or (C) of this section that is found to be materially false by the board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(ef)(1) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within forty five (45) days, take one or more of the following actions:

(4A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(B) Reduce by 25 percent its total potable water production relative to the amount produced in 2013.

(2) Implement another mandatory conservation measure or measures intended to achieve a 20 percent reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

(2) Each distributor of a public water supply that is not an urban water supplier shall submit a report by December 15, 2015, on a form provided by the Board, that either confirms compliance with subdivision (f)(1)(A) or identifies total potable water production, by month, from June through November, 2015, and total potable water production, by month, for June through November 2013.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the board or an officer or employee of the board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

“Water Conservation & You!” Events

The City's Public Works Department would like to invite Lodi Citizens to join us for:

“Water Conservation & You”

Cottage Room • Hutchins Street Square
5:00 pm on March 16th



The Staff Will Present:

- Learn about how to tell if you have a leak
- Learn about runoff from sprinklers and how it affects the health of Lodi Lake and Mokelumne River.

If You Have Questions? **Surface Water Treatment Plant**
Please Contact Us At: 2001 W. Turner Rd. • 209-333-6829



City's Public Works Department would like to invite you and Lodi Citizens to join us for:



“Water Conservation & You”

Cottage Room
Hutchins Street Square
6:00 pm on March 18th

The Staff Will Present:

- An Overview of Lodi's Water System.
- Learn about Water Conservation and How You Can make a difference.

If You Have Questions? Please Contact Us At:
Municipal Service Center
1331 South Ham Lane, Lodi, CA 95242
209-333-6800



GET AHEAD OR GET PARCHED: SIX WAYS TO SURVIVE THE DROUGHT

AGENDA

Friday, May 29th, 7:00 AM - 1:00 PM | Robert J. Cabral Agricultural Center, Stockton

Time	Topic	Speaker
7:00 – 7:45	Registration & Breakfast	Breakfast courtesy of Rain Bird
7:45 – 7:50	Welcome	Chuck Winn, <i>San Joaquin County</i>
7:50 – 8:05	California Drought Update	Sergio Fierro, <i>CA Department of Water Resources</i>
8:05 – 8:25	Local Water Supply Update & Resource Information	Karrie Reid, <i>UC ANR Cooperative Extension</i>
8:25 – 10:30	Irrigation Management: mitigating water & pesticide runoff	Jim Borneman, <i>Ewing Irrigation Products</i>
8:25 – 8:45	Precipitation Rates (PR)	
8:45 – 9:00	Improving Distribution Uniformity (DU)	
9:00 – 9:30	Controller Programming	
9:30 – 9:40	Break	
9:40 – 10:05	Drip and Micro-irrigation PR	
10:05 – 10:20	Plant, Soil & Water Relationships	
10:20 – 10:25	The Water Meter – A Management Tool	
10:30 - 11:20	Field Exercises- Irrigation Management: mitigating water & pesticide runoff	Jim Borneman, <i>Ewing Irrigation Products</i>
11:20 - 11:30	Break	
11:30 - 11:50	Irrigation Management for Urban Trees	Loren Oki, <i>University of California Cooperative Extension</i>
11:50 - 12:00	Closing Remarks & Certificates	Jim Borneman, <i>Ewing Irrigation Products</i>
12:00-1:00	Lunch	Lunch courtesy of City of Lodi, City of Tracy, City of Stockton, California Water Service, and San Joaquin County Solid Waste Division

PARTNERS



CLCA EWING HUNTER TORO NETAFIM RAIN BIRD

Stage 3 Water Restrictions

Effective: 5/11/2015

This tag is for informational use only

LODI'S WATER USE RESTRICTIONS HAVE CHANGED DUE TO THE DROUGHT. PROHIBITED WATER WASTE NOW INCLUDES BUT IS NOT LIMITED TO:

- ◆ Watering landscape is restricted except on watering days as follows:
 - * ODD-numbered addresses:
Wednesday and Sundays;
 - * EVEN-numbered addresses:
Tuesday and Saturdays.
 - * **WATERING IS NOT ALLOWED ON MONDAY, THURSDAY OR FRIDAY**
- ◆ Watering landscaping between the hours of 10 a.m.-6 p.m., effective May 1 to September 30 each year.
- ◆ Watering landscape during or within 48 hours of measureable rainfall.
- ◆ Allowing water to flow into a gutter for longer than three (3) minutes.
- ◆ Washing down sidewalks or pavement, except for public safety purposes.
- ◆ Failure to repair a controllable leak of water for more than 72 hours

Please contact the Water Conservation office to request a Variance for:

Fertilizer application or new turf/ seeding, or to drain de-chlorinated pool water.

* See City website for a complete list of Water Conservation restrictions, Ordinance, and available Rebates. Please visit: www.lodi.gov



Contact us: 209-333-6829
E-mail: Conservation@lodi.gov

Water waste is subject to fine as provided in Section 13.08.250 of the Lodi Municipal Code

Restricciones de Agua Etapa 3

Efectivo: 5/11/2015

Esta etiqueta es para uso informativo solamente

EL USO RESTRICCIONES DEL AGUA EN LODI HA CAMBIADO DEBIDO A LA SEQUÍA. EL DESPERDICIO DE AGUA PROHIBIDO AHORA INCLUYE PERO NO SE LIMITA:

- ◆ Regar excepto en días como sigue:
 - * Direcciones impares los Miércoles y el Domingo;
 - * Direcciones pares los Martes y el Sábado;
 - * **NADA DE RIEGO LOS LUNES, JUEVES, Y VIERNES**
- ◆ Regar durante las horas de las 10 de la mañana a las 6 de la tarde a partir del 1 de Mayo hasta el 30 de Septiembre.
- ◆ Regar durante o en el plazo de 48 horas despues de lluvia medible.
- ◆ Permitiendo que el exceso de agua siga corriendo a la cuneta por mas de tres (3) minutos.
- ◆ Lavándose abajo de las aceras o del pavimento, a excepción de propósitos públicos de seguridad.
- ◆ Falta de reparar un escape controlable del agua para más de 72 horas

Por favor, notifique a la Oficina de Conservación de Agua para pedir varianza: La aplicación de fertilizantes o nuevo césped / siembra, o para drenar la agua de la piscina sin cloro.

* Vea el Web site de la ciudad para una lista completa de las restricciones de la Conservación de Agua, de la Ordenanza y de Rebajas disponibles. Por favor visita: www.lodi.gov



Ponerse en contacto con: 209-333-6829
E-mail: Conservation@lodi.gov

El desperdicio de agua está conforme a multa en la manera prevista en la Sección 13.08.250 del Código Municipal de Lodi

Size: 4x6

WATER CONSERVATION UPDATE

Water Conservation Target: **32%** reduction from **2013** usage

May Water Reduction = 32.1%

Together, we met May's target, but our work is not done. Our target is reviewed **every** month we remain in the drought. With **YOUR** help, we can continue to save water and meet **OUR** target!

Lodi's water ordinance has been modified by a special drought order.
More restrictive requirements include:

Watering Days: Odd Street Addresses - Sunday and Wednesday
Even Street Addresses - Saturday and Tuesday
No watering allowed between 10 a.m. and 6 p.m.

You can help save water. Don't water during or for 48 hours after a rain. Check sprinkler settings to water on the right days and make sure you are not overwatering. Also, check your sprinklers often to look for leaks and fix within 72 hours.

To learn more or for assistance, please contact the
Water Conservation Program at **209-333-6829** or **Conservation@lodi.gov**

ACTUALIZACIÓN DE LA CONSERVACIÓN DE AGUA

Objetivo de la Conservación de Agua: **32%** reducción a partir del **2013**

Reducción de Agua de Mayo = 32.1%

Juntos, satisfacimos el objetivo de Mayo, pero nuestro trabajo no se ha terminado.

Nuestro objetivo se repasa **cada** mes que permanecemos en la sequía. ¡Con **SU** ayuda, podemos continuar ahorrando el agua y cumplir con **NUESTRO** objetivo!

La ordenanza de agua en Lodi, ha sido modificada por una orden especial de la sequía. Requisitos más restrictivos incluyen:

Días de riego: Direcciones impares los Miércoles y el Domingo;
Direcciones pares los Martes y el Sábado;

No regar durante las horas de las 10 de la mañana a las 6 de la tarde

Usted puede ayudar a conservar el agua. No riego durante ó 48 horas después de que llueva. Revise el sistema de regar para que estén en los días correctos y asegurar de no regar en exceso. Asegúrese de revisar regularmente sus rociadores de su jardín para buscar los escapes de agua y arreglarlos dentro de 72 horas.

Para aprender más o para asistencia, por favor comuníquese con
el Programa de la Conservación de Agua al **209-333-6829** or **Conservation@lodi.gov**



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving a \$5,000 Increase to the City's Budgeted Fiscal Year 2015/16 Commitment (\$25,290) to the San Joaquin Partnership

MEETING DATE: July 15, 2015

PREPARED BY: Business Development Manager

RECOMMENDED ACTION: Adopt resolution approving a \$5,000 increase to the City's budgeted Fiscal Year 2015/16 commitment (\$25,290) to the San Joaquin Partnership.

BACKGROUND INFORMATION: The San Joaquin Partnership is a private, non-profit economic development corporation focused on business attraction, retention, and expansion into and throughout all of San Joaquin County and each of its member Cities. The City of Lodi has contracted with the San Joaquin Partnership to augment its economic development efforts since 1991. In Fiscal Year 2008/09, the City's budgeted annual financial commitment to the Partnership was \$35,000. During the subsequent period of economic downturn and the resultant reduction in General Fund revenue, the City sought employee concessions and implemented other expenditure reductions. The City reduced its commitment to the Partnership by 15 percent in Fiscal Year 2009/10 and then another 15 percent in Fiscal Year 2011/12, to the current level (\$25,290).

With the improving economic climate and the resultant increase in economic development activity, the Partnership has requested a partial return to the City's pre-recession level of commitment and has submitted an invoice to the City in the amount of \$30,290.

FISCAL IMPACT: \$5,000 increase in funding to the San Joaquin Partnership.

FUNDING AVAILABLE: This amount will be absorbed within existing General Fund appropriations.

Adam Brucker
Business Development Manager

Attachment

APPROVED: _____
Stephen Schwabauer, City Manager



RECEIVED

JUN 11 2015

CITY MANAGER'S OFFICE

SAN JOAQUIN PARTNERSHIP

A Private Non-Profit Economic Development Corporation Serving San Joaquin County

April 30, 2015

Board of Directors:

- Chairman – Kevin Huber
The Grupe Company
- Vice Chairman — Susan Dell'Osso
The Cambay Group
- Secretary/Treasurer – Lewis Gale
University of the Pacific
- Richard Aschieris
Port of Stockton
- Roger Coover
The Record
- Stephen DeBrum
City of Manteca
- Nick Gleru
Pacific Gas & Electric Company
- Bob Gutierrez
Food 4 Less
- Bob Harmon
Farmers & Merchants Bank
- Bob Johnson
City of Lodi
- Michael Maciel
City of Tracy
- Kathy Miller
SJC Board of Supervisors
- Cynthia Mitchell
Kaiser Permanente
- David Nelson
A. G. Spanos Companies
- Mark Rishwain
March Tower Associates
- Steve Salvatore
City of Lathrop
- Mary-Elizabeth Eberhardt
Bank of Stockton
- Jason Schierling
General Mills
- Anthony Silva
City of Stockton
- Douglass Wilhoit
Stockton Chamber of Commerce
- Mark Winchell
City of Ripon

Steve Schwabauer
City of Lodi
P. O. Box 3006
Lodi, CA 95241

RE: 2015 – 2016 Fiscal Year Invoice

Dear Steve:

Enclosed is an invoice for the City of Lodi's 2015-2016 fiscal year commitment to the San Joaquin Partnership. The Partnership, a countywide economic development corporation, is a public-private partnership between private stakeholders, San Joaquin County and its incorporated cities. *This unique structure has been successful for San Joaquin County's economy in terms of 70,450 jobs being created the siting of some 400+ companies since inception of the Partnership twenty-four years ago.*

Right now what is most important is its current level of client activity during these economic times. In 2014 we had ten successful projects totaling more than 800 jobs and retaining 119. We are currently working with 60 active client files. Of this, eight are considered critical projects totaling 4.3 million square feet with a job potential of nearly 900. Five of the clients are in final decision mode with three in process! Additionally, the Partnership is an active advocate for business in regard to development fee issues and monitoring transportation funding. We also provide detailed information and assistance to existing and prospective businesses about available incentives.

Our goal is prosperity for all of San Joaquin County and is a direct result of investment from the City of Lodi, San Joaquin County, its cities and the private sector making up the financial base to further the County's economic development. *In 2013 we opened an office in Silicon Valley and during 2014 we greatly increased exposure to our "Greater Silicon Valley" project- "Greater Silicon Valley: Your Next Growth Opportunity".* During 2015, we will continue showcasing our "business friendly" communities where businesses can *Grow It, Make It, and Ship It!*

Enclosed is a copy of our 2014-2015 Annual Report, 2015 Marketing Program and 2015 Objectives. I look forward to working with you and the Council. If you have any questions, please do not hesitate to contact us at 209-956-3380.

Sincerely,

Mike Ammann
President & CEO

Invoice



DATE	INVOICE #
5/6/2015	3918

SAN JOAQUIN PARTNERSHIP

A Private Non-Profit Economic Development Corporation Serving San Joaquin County

BILL TO
City of Lodi Attn.: Mr. Steve Schwabauer-City Manager P.O. Box 3006 Lodi, CA 95241

RECEIVED

JUN 11 2015

CITY MANAGER'S OFFICE

DUE DATE
7/1/2015

ITEM	DESCRIPTION	AMOUNT
Public-Annual	<p>2015 Investment to the San Joaquin Partnership, Inc.</p> <p>Please note that the San Joaquin Partnership is a (501) (c) (6) non profit corporation. Payments are not deductible as charitable contributions for Federal income tax purposes. They are deductible as business expenses for most taxpayers; Taxpayer ID #94-3140077.</p> <p>Make check payable to: San Joaquin Partnership, Inc.</p> <p>Mail check to: San Joaquin Partnership, Inc. 2800 W. March Lane, Suite #470 Stockton, CA 95219</p>	30,290.00

Thank you for supporting the San Joaquin Partnership, Inc.

Total	\$30,290.00
--------------	--------------------

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING A \$5,000
INCREASE TO THE CITY'S BUDGETED FISCAL YEAR 2015/16
COMMITMENT (\$25,290) TO THE SAN JOAQUIN PARTNERSHIP

=====

WHEREAS, the San Joaquin Partnership is a private, non-profit economic development corporation focused on business attraction, retention, and expansion into and throughout all of San Joaquin County and each of its member Cities; and

WHEREAS, the City has contracted with the San Joaquin Partnership to augment its economic development efforts since 1991; and

WHEREAS, the City reduced its annual commitment twice during the period of great economic recession, in Fiscal Years 2009/10 and 2011/12, respectively; and

WHEREAS, the San Joaquin Partnership has requested a partial return to the City's pre-recession level of commitment and has submitted an invoice to the City in the amount of \$30,290.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve a \$5,000 increase to the City's budgeted Fiscal Year 2015/16 commitment to the San Joaquin Partnership; and

BE IT FURTHER RESOLVED, that the City Council does hereby authorize payment of said invoice for Fiscal Year 2015/16 in the amount of \$30,290 to the San Joaquin Partnership.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Appropriating Additional Funds for Professional Services to Accommodate the Need for Building Inspector Services (\$160,000)

MEETING DATE: July 15, 2015

PREPARED BY: Community Development Director

RECOMMENDED ACTION: Adopt resolution appropriating additional funds for professional services to accommodate the need for Building Inspector services in the amount of \$160,000.

BACKGROUND INFORMATION: The Building Division has existing contracts in place for building inspector and plans examination services. Recently a Building Inspector II retired and the recruiting process has proven to be difficult. Building and Human Resources staff are working together on a salary analysis for the Building Inspector II position and this will add additional time to that recruiting process. The amount being requested will provide funding for a contracted position for the entire fiscal in the event we are unsuccessful in the recruiting process.

Staff recommends adopting a resolution appropriating additional funds in the amount of \$160,000 to the Building Division Professional Services account to cover any necessary costs associated with contracting out the Building Inspector II position.

FISCAL IMPACT: Costs are covered by Building Division Revenue.

FUNDING AVAILABLE: Building Inspection Fund (27081000)

Jordan Ayers
Deputy City Manager/Internal Services Director

Steve Schwabauer
Community Development Director

SS/DC/kjc

APPROVED: _____
Stephen Schwabauer, City Manager

1. AA# _____
 2. JV# _____

**CITY OF LODI
 APPROPRIATION ADJUSTMENT REQUEST**

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Dennis Canright, Building Official	5. DATE:	7/1/15
4. DEPARTMENT/DIVISION:	Community Development/Building Division		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	270		32205	Community Development Fund	\$ 160,000.00
B. USE OF FINANCING	270	27081000	72450	CDD/Build Inspection/Prof Svcs	\$ 160,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

Appropriate \$160,000 from the Community Development Fund Balance to Comm. Dev. Building Inspection, Misc. Professional Services to cover the cost of a contract Building Inspector.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: 

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager _____ Date _____

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROPRIATING
ADDITIONAL FUNDS FOR PROFESSIONAL SERVICES TO
ACCOMMODATE THE NEED FOR BUILDING INSPECTION
SERVICES IN THE COMMUNITY DEVELOPMENT DEPARTMENT

=====

WHEREAS, the Community Development Department, Building Division has funds budgeted for professional services; and

WHEREAS, the Building Division has existing contracts for building inspector and plans examination services; and

WHEREAS, a Building Inspector II has recently retired, leaving a vacancy; and

WHEREAS, the recruitment process has been difficult; and

WHEREAS, additional funds will be needed to cover contract Building Inspector II services; and

WHEREAS, the additional funds will come from the Building Division Revenues.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the appropriation of additional funds for professional services to accommodate the need for Building Inspector services in the amount of \$160,000.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Receive Report Regarding Communication Pertaining to Senate Bill 493 (Cannella) Regarding City Council Elections

MEETING DATE: July 15, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Receive report regarding communication pertaining to Senate Bill 493 (Cannella) regarding city council elections.

BACKGROUND INFORMATION: The City received a request for communication from the League of California Cities regarding SB 493 (Cannella). There was a need to send a letter of support immediately in light of a pending hearing.

SB 493 would allow city councils to use the ordinance process to switch from an at-large to a by-district election system and help cities save money by avoiding a California Voting Rights Act (CVRA) lawsuit and the costs associated with gaining voter approval on the ballot. SB 493 would give cities a much-needed tool that can be used to address concerns under the CVRA in a more efficient and cost-effective manner.

The attached letter electronically signed by the Mayor was sent out on June 29, 2015. A copy of the initial request, along with the text of the bill, is also attached. This report is provided for informational purposes only pursuant to policy.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

APPROVED: _____
Stephen Schwabauer, City Manager

CITY COUNCIL

BOB JOHNSON, Mayor
MARK CHANDLER,
Mayor Pro Tempore
DOUG KUEHNE
JOANNE MOUNCE
ALAN NAKANISHI

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6702 / FAX (209) 333-6807
www.lodi.gov cityclerk@lodi.gov

STEPHEN SCHWABAUER
City Manager
JENNIFER M. FERRAILOLO
City Clerk
JANICE D. MAGDICH
City Attorney

June 29, 2015

The Honorable Senator Cannella
Member, California State Assembly
State Capitol Building, Room 5082
Sacramento, CA 95814

RE: **SB 493 (Cannella): City Council Elections
Notice of Support**

The City of Lodi supports your bill SB 493, which would allow city councils to use the ordinance process to switch from an at-large to a by-district election system and help cities save money by avoiding a California Voting Rights Act (CVRA) lawsuit and the costs associated with gaining voter approval on the ballot.

Since the passage of CVRA, many entities using at-large elections have increasingly found themselves faced with lawsuits asserting that racially polarized voting is occurring and demanding that district-based elections be implemented. Due to generous recovery for attorney's fees provisions in the act, we have seen cities incur extremely high legal fees with numbers ranging from the several hundred thousand to several million.

For cities, the only other alternative to litigation is submitting the proposal to the voters for approval. This is not a simple process and running items on a ballot is expensive. Additionally, there is still exposure to litigation under the CVRA if voters were to reject the measure.

The City of Lodi believes SB 493 would give cities a much-needed tool that can be used to address concerns under the CVRA in a more efficient and cost-effective manner.

For these reasons, the City of Lodi supports SB 493.

Sincerely,

/s/ Bob Johnson

Bob Johnson
Mayor, City of Lodi

cc: Senator Cathleen Galgiani, Fax: 916-651-4905
Assemblymember Jim Cooper, Fax: 916-319-2109
Stephen Qualls, League Regional Public Affairs Manager, squalls@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Jennifer Ferraiolo

From: JoAnne Mounce - External
Sent: Saturday, June 27, 2015 7:29 AM
To: Jennifer Ferraiolo; Stephen R. Qualls
Subject: Fw: URGENT:Speakers Needed - SB 493
Attachments: SB 493 Support Sample.docx

----- Forwarded Message -----

From: Stephen R. Qualls <squalls@cacities.org>
To:
Sent: Friday, June 26, 2015 4:14 PM
Subject: URGENT:Speakers Needed - SB 493

On July 1st at 9:00 a.m., SB 493 (district elections by ordinance) will be heard in committee in Sacramento and Senator Cannella and the League need speakers to come to the Capital and speak in support of the bill.

SB 493 would allow cities, to just as school districts do, to move from at large to by district elections. This would allow the cities the choice to avoid possible litigation over claims of California Voters Rights violations.

Currently, the only option available is to put the measure up for a vote, and hope that it passes.

If it doesn't, then the city may become a target for a possible lawsuit.

If you are available, please contact me or Alicia Lewis at alewis@cacities.org<mailto:alewis@cacities.org> or 916-658-8254.

[We would like a strong showing of support so please attend the committee hearing if possible.](#)

Thank you,

Stephen Qualls
Central Valley Regional Public Affairs Manager
League of California Cities

209-614-0118
Fax 209-883-0653
squalls@cacities.org<mailto:squalls@cacities.org>

[Description: Description: LCC_Logo_SM] [X]
Strengthening California Cities through Advocacy and Education
To expand and protect local control for cities through education and

AMENDED IN SENATE APRIL 20, 2015

SENATE BILL

No. 493

Introduced by Senator Cannella

February 26, 2015

An act to add Section ~~34873.5~~ 34885 to the Government Code, relating to elections.

LEGISLATIVE COUNSEL'S DIGEST

SB 493, as amended, Cannella. Elections in cities: by or from districts.

Existing law generally requires all elective city offices, including the members of a city council, to be filled at large by the city electorate at a general municipal election. Existing law, at any municipal election or special election held for this purpose, authorizes the legislative body of a city to submit to the registered voters an ordinance providing for the election of members of the legislative body by district or from district, as defined, and with or without an elective mayor.

This bill would authorize the legislative body of a ~~general law~~ city to ~~amend~~ adopt an ordinance ~~providing for that requires~~ the election of members of the legislative body ~~from district, as defined, to provide for the election of members of the legislative body by district, as defined, to be elected by district or by district with an elective mayor~~ without submitting the amendment to the registered being required to submit the ordinance to the voters for approval. ~~The bill would prohibit the amendment of the ordinance, as described above, from changing whether the general law city has an elective mayor.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 34885 is added to the Government Code,
2 to read:

3 34885. Notwithstanding Section 34871 or any other law, the
4 legislative body of a city may adopt an ordinance that requires
5 the members of the legislative body to be elected by district or by
6 district with an elective mayor, as described in subdivisions (a)
7 and (c) of Section 34871, without being required to submit the
8 ordinance to the voters for approval.

9 ~~SECTION 1. Section 34873.5 is added to the Government~~
10 ~~Code, to read:~~

11 ~~34873.5. (a) Notwithstanding any other law, including, but~~
12 ~~not limited to, Section 34873, if an ordinance provides for the~~
13 ~~legislative body of a general law city to be elected from district,~~
14 ~~as defined by Section 34871, the legislative body of the general~~
15 ~~law city may amend the ordinance to provide for the legislative~~
16 ~~body of the general law city to be elected by district, as defined~~
17 ~~by Section 34871, without submitting the amendment to the~~
18 ~~registered voters for approval.~~

19 ~~(b) An amendment of the ordinance pursuant to subdivision (a)~~
20 ~~shall not change whether the general law city has an elective mayor.~~



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Amending Traffic Resolution No. 97-148 by Approving a 50 Miles-Per-Hour Speed Limit on Lodi Ave from West City Limits to Rose Gate Drive

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution amending Traffic Resolution No. 97-148 by approving a 50 miles-per-hour speed limit on Lodi Avenue from west city limit to Rose Gate Drive.

BACKGROUND INFORMATION: Staff recently updated the Engineering and Traffic Survey (ETS) on Lodi Avenue due to the recent roadway improvement on Lodi Avenue. Based on the State-mandated requirements, staff is recommending decreasing the existing speed limit from 55 to 50 mph on Lodi Avenue from west city limit to Rose Gate Drive. The 55 mph speed limit was previously under the county jurisdiction.

The ETS includes three primary factors when establishing posted speed limits: prevailing speeds, accident rates, and unexpected conditions. Other characteristics, such as residential density, pedestrian and bicycle safety, and roadway design speed, are also considered.

The Police Department has reviewed and concurs with staff's recommendations. As shown in the attached Lodi Avenue ETS, the recommended posted speed limit is based on the prevailing speeds (85th percentile speeds), accident rate and specific characteristics of this road segment.

FISCAL IMPACT: Normal maintenance only.

FUNDING AVAILABLE: Funding for the sign and legend installation is from the Street Maintenance Operating Account (30156002), at an approximate cost of \$800.

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Dorothy Kam, Assistant Engineer
FWS/DK/eb
cc: City Engineer/Deputy Public Works Director
Transportation Manager/Senior Traffic Engineer

APPROVED: _____
Stephen Schwabauer, City Manager

SPEED ZONE REPORT - Lodi Avenue, West City Limits to Lower Sacramento Road

- REFERENCE - Speed zone surveys are performed in the City of Lodi following the California MUTCD in accordance with Section 40802 (b) of the California Vehicle Code.
- STUDY CRITERIA - Important factors to consider in determining the speed limit which is most appropriate to facilitate the orderly movement of traffic and that is reasonably safe are:

Prevailing Speeds (85th Percentile Speeds) - Reasonable speed limits conform to the actual behavior of the majority of motorists, and by measuring motorists' speeds, one will be able to select a speed limit that is both reasonable and effective. Speed limits should normally be established at the nearest five mile per hour (mph) increment to the 85th percentile speed. However, in matching existing conditions with the traffic safety needs of the community, engineering judgment may indicate the need for a further reduction of five mph.

Accidents - Accident records for two recent years were considered in determining the speed zones. Accidents on segments of roadways are classified by their accident rate. Accident rates are determined by the number of accidents occurring within a segment of roadway and the traffic volume within that segment. Accident rates are shown in accidents per million vehicle miles (ACC/MVM). The average Citywide accident rate is 2.6 ACC/MVM.

Unexpected Conditions – Highway, traffic, and roadside conditions not readily apparent to the driver were considered. When roadside development results in traffic conflicts and unusual conditions which are not readily apparent to drivers, speed limits below the 85th percentile may be justified.

Other Factors - The following factors were considered: residential density, pedestrian & bicycle safety, roadway design speed, safe stopping sight distance, superelevation, shoulder conditions, profile condition, intersection spacing and offsets, commercial driveway characteristics and pedestrian traffic in the roadway without sidewalks.

- STUDY RESULTS
Four radar surveys were performed and the 85th percentile speeds ranged from 41 to 50 mph as shown below. Radar surveys were not performed between intersections that were too close together to record free flowing traffic conditions.

<u>Street Segment</u>	<u>Eastbound</u>	<u>Westbound</u>
West City Limits to Rose Gate Drive	50 mph	48 mph
Rose Gate Drive to Lower Sacramento Rd	43 mph	41 mph

West City Limits to Rose Gate Drive

The 85th percentile speeds on this segment are 48 and 50 mph. The 50th percentile speeds are 43 and 45 mph. There have been no accidents on this recently widened street segment. Based solely on the 85th percentile speeds, we recommend changing the speed limit to 50 mph along this segment.

Rose Gate Drive to Lower Sacramento Road

The 85th percentile speeds on this segment are 41 and 43 mph. The 50th percentile speed ranged from 37 to 38 mph. The accident rate of 0.9 on this segment is below the Citywide average and lower than the 2.2 rate from the 2007 survey. Based solely on the 85th percentile speeds and the continuing low accident rate at the current speed limit, we recommend retaining the 40 mph speed limit along this segment.

o CONCLUSION

The recommended speed limits are shown below:

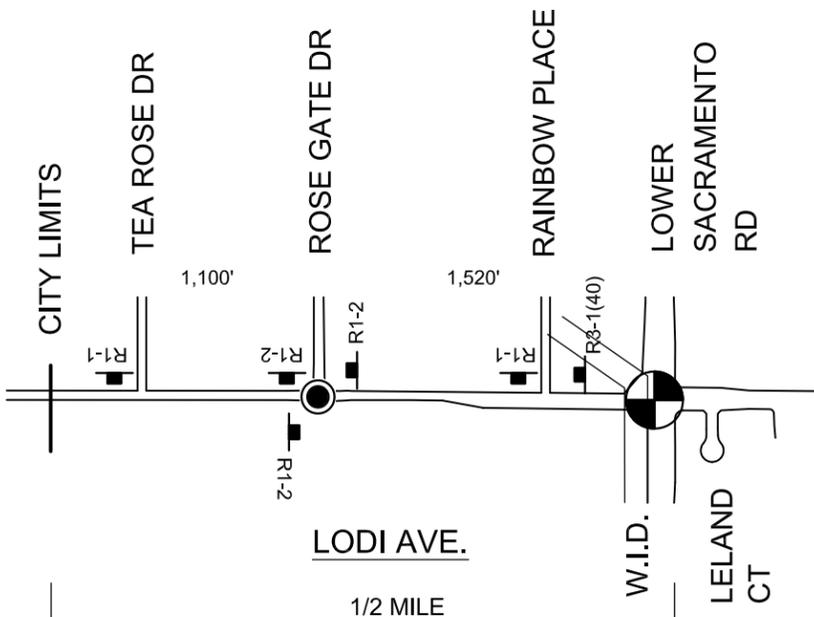
<u>STREET SEGMENT</u>	<u>EXISTING SPEED LIMIT</u>	<u>POSTED SPEED LIMIT</u>
West City Limits to Rose Gate Drive	55 mph*	50 mph
Rose Gate Drive to Lower Sacramento Road	40 mph	no change

*County road annexed into City's jurisdiction.

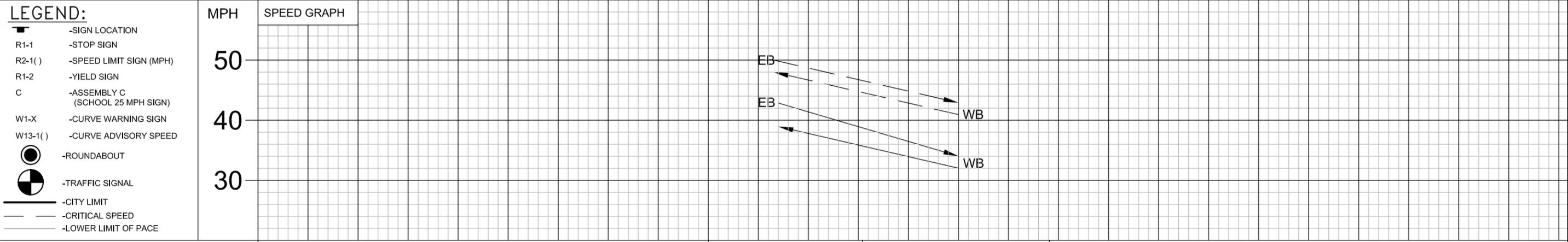
Paula Fernandez
Transportation Manager/ Senior Traffic Engineer

**ENGINEERING
AND TRAFFIC SURVEY**

SEE NARRATIVE FOR
BACKGROUND INFORMATION



SPEED TABLE					
ROADWAY WIDTH		23'	40'	72' Varies	48'-64'
NO. OF LANES			2	3	4
MEDIAN (TYPE)			None	Raised Concrete	None
TRAFFIC SIGNAL DATA		8ØACT			
AVERAGE DAILY TRAFFIC		3,763		5,488	
OBS. SPEED-CRITICAL, 85th%	EB	50		43	
	WB	48		41	
-PACE(%)	EB	43-53 (72)		34-44 (72)	
	WB	39-49 (71)		32-42 (76)	
-MEDIAN, 50th%	EB	45		38	
	WB	43		37	
EXISTING SPEED ZONE		55 mph (County)		40 mph	
PROPOSED SPEED ZONE		55 mph (County)		50 mph	



ACCIDENT PLOT	YR: 2013	N/A	0
	YR: 2014	N/A	1
ACCIDENT RATE - ACC. / MILL. VEH. - MI.		N/A	0.9

DR: DK	No.	Date	Revision	Appr	Approved By
CH: PJF					
DATE: JUNE 2015					Transportation Manager / Sr Traffic Engineer Date TR 1625

CITY OF LODI
PUBLIC WORKS DEPARTMENT

LODI AVE
West City Limits to Lower Sacramento

SPEED ZONE SURVEY

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AMENDING
TRAFFIC RESOLUTION NO. 97-148 BY APPROVING A
50 MILES-PER-HOUR SPEED LIMIT ON LODI AVENUE
FROM THE WEST CITY LIMITS TO ROSE GATE DRIVE

=====

WHEREAS, staff has recently updated Engineering and Traffic Surveys on Lodi Avenue; and

WHEREAS, based on the State-mandated requirements, staff recommends decreasing the existing speed limit from 55 to 50 miles per hour on Lodi Avenue from the west City limits to Rose Gate Drive.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the speed limit reduction from 55 miles per hour to 50 miles per hour on Lodi Avenue from the west City limits to Rose Gate Drive; and

BE IT FURTHER RESOLVED that the City of Lodi Traffic Resolution No. 97-148, Section 7, "Speed Limits," is hereby amended by reducing the speed limit from 55 miles per hour to 50 miles per hour on Lodi Avenue from the west City limits to Rose Gate Drive.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Continued Public Hearing to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial and Industrial Customers

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Continued public hearing to consider adopting resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial and industrial customers.

BACKGROUND INFORMATION: City Council, on May 7, 2014, approved a program of future wastewater and water rate increases using an Engineering News Record – 20 Cities Average (ENR) based indexing, capped at 3 percent maximum. A Proposition 218 procedure was conducted that validated these actions.

Staff has regularly updated the Wastewater Utility Financial Plan, and a copy of the current Financial Plan is attached as Exhibit A. The recommended rate adjustments in the Financial Plan are 2.8 percent beginning July 16, 2015. The rates for this next year, attached as Exhibit B, reflect an increase of 2.8 percent, which is lower than the 3 percent capped maximum. The table below reflects the history and future cap on wastewater rate adjustments.

	Cap	ENR Index	Approved/ Recommended
July 2012	5.0%	N/A	3.0%
July 2013	2.8%	2.8%	2.5%
July 2014	3.0%	2.6%	2.5%
July 2015	3.0%	2.8%	2.8%
July 2016	3.0%		
July 2017	3.0%		
July 2018	3.0%		

FISCAL IMPACT: Increased revenues to the wastewater utility are required to keep up with cost of service increases and new mandated costs.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/RAY/tb
Attachments
cc: Information Systems Manager

APPROVED: _____
Stephen Schwabauer, City Manager

Exhibit A

**City of Lodi -- Wastewater Utility
Financial Plan Summary**

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	
	2.5%	2.8%	3%	3%	2%	
WASTEWATER OPERATING FUND (170)						
Beginning Balance	1,029,408	5,252,978	4,656,953	5,588,953	4,076,853	
Revenues						
Wastewater Sales	14,691,000	15,132,000	15,616,000	16,116,000	16,470,000	
Infrastructure Replacement	-	-	-	-	-	
Interest Earnings	15,000	58,000	103,000	122,000	92,000	
Other Revenues	209,000	215,000	221,000	228,100	235,300	
Transfer In for Debt Service (172)	31,000	31,000	63,000	63,000	63,000	
Transfer In for Debt Service (173)	65,000	150,000	150,000	152,000	152,000	
Transfer From/(To) Rate Stabilization Fund (174)	-	-	-	-	-	
Total Revenues	15,011,000	15,586,000	16,153,000	16,681,100	17,012,300	
Expenditures						
Operating Transfers Out (to GF)	-	-	-	-	-	
Transfer Out to Gen'l Fund (Cost of Services)	1,068,000	1,068,000	1,068,000	1,068,000	1,068,000	
Transfer Out to WW Capital Outlay (171)	-	5,000,000	3,800,000	6,500,000	2,500,000	
Transfer Out To WW Cap. Rsrv. (172)	-	-	-	-	-	
Administration & Other	1,229,370	1,261,685	1,309,000	1,358,200	1,409,400	
Plant Maintenance	3,989,580	4,116,440	4,281,000	4,452,000	4,630,000	
Sanitary System Maintenance	381,780	542,540	563,000	583,000	605,000	
Storm Drainage Maintenance	422,680	511,600	533,000	555,000	577,000	
Industrial System Maintenance	25,020	15,760	16,000	16,000	16,000	
2003 Wastewater COP Debt Service	-	-	-	-	-	
2004 Wastewater COP Debt Service	98,000	98,000	98,000	98,000	98,000	
2007 Wastewater COP Debt Service	1,603,000	1,607,000	1,606,000	1,614,000	1,617,000	
2012 Wastewater Refinancing	1,970,000	1,961,000	1,947,000	1,949,000	1,949,000	
Total Expenditures	10,787,430	16,182,025	15,221,000	18,193,200	14,469,400	
Ending Balance	5,252,978	4,656,953	5,588,953	4,076,853	6,619,753	
Operating Reserve (25%)	2,204,000	2,305,000	2,369,000	2,436,000	2,505,000	25%
Available Balance	3,048,978	2,351,953	3,219,953	1,640,853	4,114,753	
Debt Service Coverage (min. = 1.20)	2.17	2.20	2.30	2.36	2.38	
without COST	2.46	2.49	2.59	2.65	2.67	
WASTEWATER CAPITAL OUTLAY (171)						
Beginning Balance	11,628,493	3,404,921	1,511,350	1,848,778	1,183,207	

Exhibit A

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Revenues					
Transfer In (from 170)	-	5,000,000	3,800,000	6,500,000	2,500,000
Transfer In (from 170-Deprec.)	-	-	-	-	-
Other Revenue	96,429	96,429	96,429	96,429	96,429
Investment Earnings	-	-	-	-	-
Total Revenues	96,429	5,096,429	3,896,429	6,596,429	2,596,429
Expenditures					
Financial System Replacement	250,000	-	-	-	-
Storm Imprv	72,000	-	-	-	-
Elm to Pine Alley Sewer/Laurel Storm Project	33,000	-	-	-	-
Misc. System Relocations	35,000	35,000	36,000	38,000	39,000
Misc. Wastewater Taps	40,000	40,000	42,000	43,000	45,000
Collect. System Capac. Enhanc. Projects	-	200,000	21,000	216,000	22,000
Wastewater Main Replac./Lining Proj.	2,000,000	-	-	-	-
City Hall Annex	580,000	-	-	-	-
Storm Drain Trash Handling System	-	700,000	-	-	-
Shady Acres/Vinewood Storm Water Pump Rehab	-	400,000	-	-	-
Lodi Lake Outfall Line	-	100,000	-	-	-
Realignment of Domestic & Industrial pipe	-	1,100,000	-	-	-
Domestic Trunk Assessment and Rehab	-	-	200,000	2,000,000	-
Vehicles /Equipment	545,000	660,000	156,000	162,000	169,000
White Slough Compliance Studies & Rpts	-	-	-	-	-
Plant Maintenance	270,000	300,000	-	-	-
Structural Corrosion Repair/UV Upgrade Feasibility Studies/Pre-design	-	1,500,000	-	-	-
Influent Screening Replacement	-	800,000	2,500,000	2,500,000	-
Aeration Diffuser Replacement	-	-	500,000	-	-
Cloth Filter Media Replacement	-	30,000	-	32,000	-
Electrical Upgrades/SCADA Upgrades	50,000	-	-	2,163,000	2,250,000
Admin/Ops Building Improvements	750,000	-	-	-	-
Primary Chain & Flights	45,000	-	-	-	-
Dewatering screwpress	-	1,000,000	-	-	-
Irrigation Conveyance & Pumping Construction	450,000	-	-	-	-
Fence Repairs/Upgrades	-	25,000	-	-	28,000
Digester #1 & #2 Roof Repairs	3,100,000	-	-	-	-
Miscellaneous Future Projects	100,000	100,000	104,000	108,000	112,000
Total Expenditures	8,320,000	6,990,000	3,559,000	7,262,000	2,665,000
Ending Balance	3,404,921	1,511,350	1,848,778	1,183,207	1,114,636

Exhibit A

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
WASTEWATER CAPITAL RESERVE (172)					
Beginning Balance	3,134,509	3,134,509	3,134,509	3,134,509	3,134,509
Revenues					
Interest Earnings	31,000	31,000	63,000	63,000	63,000
Total Revenues	31,000	31,000	63,000	63,000	63,000
Expenditures					
Capital Projects	-	-	-	-	-
Transfer Out to 170 (for Debt Service)	31,000	31,000	63,000	63,000	63,000
Total Expenditures	31,000	31,000	63,000	63,000	63,000
Ending Balance	3,134,509	3,134,509	3,134,509	3,134,509	3,134,509
Restricted Debt Service Reserve	2,378,506	2,378,506	2,378,506	2,378,506	2,378,506
2007 COP Proceeds (w/ fiscal agent)	756,003	756,003	756,003	756,003	756,003
Cash Deficit (amt. owed for past DS)	-	-	-	-	-
IMF WASTEWATER FACILITIES (173)					
Beginning Balance	64,653	149,653	149,653	151,653	151,653
Revenues					
Wastewater IMF	149,000	149,000	149,000	149,000	149,000
Wastewater IMF from PCE/TCE & WTP					
Interest Earnings	1,000	1,000	3,000	3,000	3,000
Total Revenues	150,000	150,000	152,000	152,000	152,000
Expenditures					
Transfer Out (to 170 for Debt Service)	65,000	150,000	150,000	152,000	152,000
Capital Projects	-	-	-	-	-
Total Expenditures	65,000	150,000	150,000	152,000	152,000
Ending Balance	149,653	149,653	151,653	151,653	151,653
Owed to Fund 170 for Debt Service	3,173,000	3,986,000	4,798,000	5,613,000	6,430,000
WW Rate Stabilization Fund (174)					
Beginning Balance	500,000	500,000	500,000	500,000	500,000
Transfer In from 170	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Transfer Out to 170	-	-	-	-	-
Total Expenditures	-	-	-	-	-
Ending Balance	500,000	500,000	500,000	500,000	500,000

Exhibit A

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
--	----------	----------	----------	----------	----------

Aggregate End-of-Year Balance	12,442,000	9,952,000	11,224,000	9,046,000	11,521,000
Operating Reserve (25%)	2,204,000	2,305,000	2,369,000	2,436,000	2,505,000
Restricted DS Reserve	2,378,506	2,378,506	2,378,506	2,378,506	2,378,506
2007 COP Proceeds	756,003	756,003	756,003	756,003	756,003
Rate Stabilization Fund	500,000	500,000	500,000	500,000	500,000
Net Available for Capital Projects	6,603,491	4,012,491	5,220,491	2,975,491	5,381,491

City of Lodi -- Wastewater Utility Financial Plan Assumptions					
	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
<i>Financial Assumptions</i>					
General Inflation	3.0%	3.0%	3.0%	3.0%	3.0%
Labor Inflation	3.4%	3.4%	3.4%	3.4%	3.4%
Material/Energy Inflation	4.5%	4.5%	4.5%	4.5%	4.5%
Construction Inflation	4.0%	4.0%	4.0%	4.0%	4.0%
Interest Earnings	1.0%	1.0%	2.0%	2.0%	2.0%
<i>Cust. Growth (SSUs)</i>	50	50	50	50	50
Wastewater Mitigation Impact Fee					
Residential 3/4"	\$ 1,720	\$ 1,720	\$ 1,720	\$ 1,720	\$ 1,720
Non-Residential 3/4"	4,225	4,225	4,225	4,225	4,225

Exhibit B

City of Lodi -- Wastewater Utility

Current and Proposed Wastewater Rates

	Current	July 2015
Residential		
Percent Increase		2.8
Flat Rates (\$/month)		
1 Bedroom	\$ 26.48	\$ 27.22
2 Bedroom	\$ 35.30	\$ 36.29
3 Bedroom	\$ 44.13	\$ 45.36
4 Bedroom	\$ 52.95	\$ 54.43
5 Bedroom	\$ 61.78	\$ 63.51
6 Bedroom	\$ 70.60	\$ 72.58
7 Bedroom	\$ 79.43	\$ 81.65
Mobile Homes		
Any Size	\$ 26.48	\$ 27.22
Usage-Based Rates (1)		
Service Charge (\$/month for 3/4" water meter)	\$ 24.11	\$ 24.78
Usage Charge (\$/CCF) (1)	\$ 2.75	\$ 2.82
Non-Residential (\$/month) (2)		
Moderate Strength (per SSU)	\$ 35.30	\$ 36.29
High Strength		
Flow (per MG, annual basis)	\$ 3,574.60	\$ 3,674.68
BOD (per 1,000 lbs, annual basis)	\$ 589.90	\$ 606.41
SS (per 1,000 lbs, annual basis)	\$ 368.85	\$ 379.17
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 312.34	\$ 321.08
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 663.06	\$ 681.63
Disposal to Storm Drain System (per MG)	\$ 328.09	\$ 337.28

Notes:

- (1) Winter water usage determined as average monthly usage from December through February.
- (2) Flat wastewater rates for schools are to be determined on the basis of 18 students per SSU.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
SETTING PRE-APPROVED ENGINEERING NEWS
RECORD ADJUSTMENT INDEX FOR WASTEWATER
RATES FOR RESIDENTIAL, COMMERCIAL, AND
INDUSTRIAL CUSTOMERS

=====

WHEREAS, Resolution No. 2014-75 approved a program of wastewater rate increases of up to 3 percent effective July 1, 2014 through 2018. A Proposition 218 procedure was conducted that validated this action; and

WHEREAS, staff has regularly updated the Wastewater Utility Financial Plan, and the recommended rate adjustment in the Financial Plan is 2.8 percent beginning July 16, 2015; and

WHEREAS, the rates for the current adjustment reflect a 2.8 percent increase that is lower than the capped maximum of 3 percent.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby set the pre-approved Engineering News Record Adjustment Index for wastewater rates for residential, commercial, and industrial customers as outlined on Exhibit A (attached), with the effective date of the increase to be July 16, 2015.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

Exhibit A

City of Lodi -- Wastewater Utility

Current and Proposed Wastewater Rates

	Current	July 2015
Residential		
Percent Increase		2.8
Flat Rates (\$/month)		
1 Bedroom	\$ 26.48	\$ 27.22
2 Bedroom	\$ 35.30	\$ 36.29
3 Bedroom	\$ 44.13	\$ 45.36
4 Bedroom	\$ 52.95	\$ 54.43
5 Bedroom	\$ 61.78	\$ 63.51
6 Bedroom	\$ 70.60	\$ 72.58
7 Bedroom	\$ 79.43	\$ 81.65
Mobile Homes		
Any Size	\$ 26.48	\$ 27.22
Usage-Based Rates (1)		
Service Charge (\$/month for 3/4" water meter)	\$ 24.11	\$ 24.78
Usage Charge (\$/CCF) (1)	\$ 2.75	\$ 2.82
Non-Residential (\$/month) (2)		
Moderate Strength (per SSU)	\$ 35.30	\$ 36.29
High Strength		
Flow (per MG, annual basis)	\$ 3,574.60	\$ 3,674.68
BOD (per 1,000 lbs, annual basis)	\$ 589.90	\$ 606.41
SS (per 1,000 lbs, annual basis)	\$ 368.85	\$ 379.17
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 312.34	\$ 321.08
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 663.06	\$ 681.63
Disposal to Storm Drain System (per MG)	\$ 328.09	\$ 337.28

Notes:

- (1) Winter water usage determined as average monthly usage from December through February.
- (2) Flat wastewater rates for schools are to be determined on the basis of 18 students per SSU.



**Please immediately confirm receipt
of this fax by calling 333-6702**

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX
FOR WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND
INDUSTRIAL CUSTOMERS
PUBLISH DATE: SATURDAY, MAY 16, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: JENNIFER M. FERRAILOLO, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, MAY 7, 2015

ORDERED BY: JENNIFER M. FERRAILOLO
CITY CLERK

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Emailed to the Sentinel at dorar@lodinews.com at _____ (time) on _____ (date) _____ pages
Phoned to confirm receipt of all pages at _____ (time) _____ ES _____ PMF (initials)



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: June 17, 2015

Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, June 17, 2015**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (as identified on the attached Exhibit A).**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


Jennifer M. Ferraiolo
City Clerk

Dated: May 7, 2015

Approved as to form:


Janice D. Magdich
City Attorney

EXHIBIT A

City of Lodi -- Wastewater Utility

Current and Proposed Wastewater Rates

	Current	July 2015
Residential		
Percent Increase		2.8
Flat Rates (\$/month)		
1 Bedroom	\$ 26.48	\$ 27.22
2 Bedroom	\$ 35.30	\$ 36.29
3 Bedroom	\$ 44.13	\$ 45.36
4 Bedroom	\$ 52.95	\$ 54.43
5 Bedroom	\$ 61.78	\$ 63.51
6 Bedroom	\$ 70.60	\$ 72.58
7 Bedroom	\$ 79.43	\$ 81.65
Mobile Homes		
Any Size	\$ 26.48	\$ 27.22
Usage-Based Rates (1)		
Service Charge (\$/month for 3/4" water meter)	\$ 24.11	\$ 24.78
Usage Charge (\$/CCF) (1)	\$ 2.75	\$ 2.82
Non-Residential (\$/month) (2)		
Moderate Strength (per SSU)	\$ 35.30	\$ 36.29
High Strength		
Flow (per MG, annual basis)	\$ 3,574.60	\$ 3,674.68
BOD (per 1,000 lbs, annual basis)	\$ 589.90	\$ 606.41
SS (per 1,000 lbs, annual basis)	\$ 368.85	\$ 379.17
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 312.34	\$ 321.08
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 663.06	\$ 681.63
Disposal to Storm Drain System (per MG)	\$ 328.09	\$ 337.28

Notes:

- (1) Winter water usage determined as average monthly usage from December through February.
- (2) Flat wastewater rates for schools are to be determined on the basis of 18 students per SSU.



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION SETTING PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX FOR WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

On Thursday, May 7, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider adopting a resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum
WorkNet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 7, 2015, at Lodi, California.

ORDERED BY:

**JENNIFER M. FERRAILOLO
CITY CLERK**


PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: June 17, 2015

Time: 7:00 p.m.

EXHIBIT A

For information regarding this notice please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

NOTICE OF PUBLIC HEARING

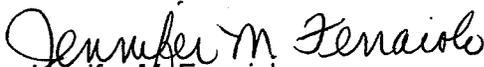
NOTICE IS HEREBY GIVEN that on **Wednesday, June 17, 2015**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (as identified on the attached Exhibit A).**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


Jennifer M. Ferraiolo
City Clerk

Dated: May 7, 2015

Approved as to form:


Janice D. Magdich
City Attorney

EXHIBIT A

City of Lodi -- Wastewater Utility

Current and Proposed Wastewater Rates

	Current	July 2015
Residential		
Percent Increase		2.8
Flat Rates (\$/month)		
1 Bedroom	\$ 26.48	\$ 27.22
2 Bedroom	\$ 35.30	\$ 36.29
3 Bedroom	\$ 44.13	\$ 45.36
4 Bedroom	\$ 52.95	\$ 54.43
5 Bedroom	\$ 61.78	\$ 63.51
6 Bedroom	\$ 70.60	\$ 72.58
7 Bedroom	\$ 79.43	\$ 81.65
Mobile Homes		
Any Size	\$ 26.48	\$ 27.22
Usage-Based Rates (1)		
Service Charge (\$/month for 3/4" water meter)	\$ 24.11	\$ 24.78
Usage Charge (\$/CCF) (1)	\$ 2.75	\$ 2.82
Non-Residential (\$/month) (2)		
Moderate Strength (per SSU)	\$ 35.30	\$ 36.29
High Strength		
Flow (per MG, annual basis)	\$ 3,574.60	\$ 3,674.68
BOD (per 1,000 lbs, annual basis)	\$ 589.90	\$ 606.41
SS (per 1,000 lbs, annual basis)	\$ 368.85	\$ 379.17
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 312.34	\$ 321.08
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 663.06	\$ 681.63
Disposal to Storm Drain System (per MG)	\$ 328.09	\$ 337.28

Notes:

- (1) Winter water usage determined as average monthly usage from December through February.
- (2) Flat wastewater rates for schools are to be determined on the basis of 18 students per SSU.



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX
FOR WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND
INDUSTRIAL CUSTOMERS

PUBLISH DATE: SATURDAY, JUNE 20, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO:
LNS ACCT. #0510052

JENNIFER M. FERRAILOLO, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, JUNE 18, 2015

ORDERED BY: JENNIFER M. FERRAILOLO
CITY CLERK

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Emailed to the Sentinel at dianer@lodinews.com at 7:24 (time) on 6/18/15 (date) _____ (pages)
Phoned to confirm receipt of all pages at 10:08 (time) _____ ES PMF (initials)



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF CONTINUED PUBLIC HEARING

Date: July 15, 2015

Time: 7:00 p.m.

For information regarding this notice please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

NOTICE OF CONTINUED PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, July 15, 2015**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (as identified on the attached Exhibit A).**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Pamela M. Farris
Deputy City Clerk

Dated: June 17, 2015

Approved as to form:

Janice D. Magdich
City Attorney

EXHIBIT A

City of Lodi -- Wastewater Utility

Current and Proposed Wastewater Rates

	Current	July 2015
Residential		
Percent Increase		2.8
Flat Rates (\$/month)		
1 Bedroom	\$ 26.48	\$ 27.22
2 Bedroom	\$ 35.30	\$ 36.29
3 Bedroom	\$ 44.13	\$ 45.36
4 Bedroom	\$ 52.95	\$ 54.43
5 Bedroom	\$ 61.78	\$ 63.51
6 Bedroom	\$ 70.60	\$ 72.58
7 Bedroom	\$ 79.43	\$ 81.65
Mobile Homes		
Any Size	\$ 26.48	\$ 27.22
Usage-Based Rates (1)		
Service Charge (\$/month for 3/4" water meter)	\$ 24.11	\$ 24.78
Usage Charge (\$/CCF) (1)	\$ 2.75	\$ 2.82
Non-Residential (\$/month) (2)		
Moderate Strength (per SSU)	\$ 35.30	\$ 36.29
High Strength		
Flow (per MG, annual basis)	\$ 3,574.60	\$ 3,674.68
BOD (per 1,000 lbs, annual basis)	\$ 589.90	\$ 606.41
SS (per 1,000 lbs, annual basis)	\$ 368.85	\$ 379.17
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 312.34	\$ 321.08
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 663.06	\$ 681.63
Disposal to Storm Drain System (per MG)	\$ 328.09	\$ 337.28

Notes:

- (1) Winter water usage determined as average monthly usage from December through February.
- (2) Flat wastewater rates for schools are to be determined on the basis of 18 students per SSU.



DECLARATION OF POSTING

CONTINUED PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION SETTING PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX FOR WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

On Thursday, June 18, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Continued Public Hearing to consider adopting a resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

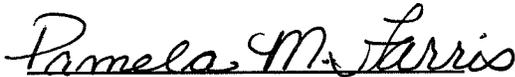
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum
WorkNet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 18, 2015, at Lodi, California.

ORDERED BY:

**JENNIFER M. FERRAILOLO
CITY CLERK**


PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF CONTINUED PUBLIC HEARING

Date: July 15, 2015

Time: 7:00 p.m.

EXHIBIT A

For information regarding this notice please contact:

Jennifer M. Ferraiolo
City Clerk
Telephone: (209) 333-6702

NOTICE OF CONTINUED PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, July 15, 2015**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (as identified on the attached Exhibit A).**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Pamela M. Farris
Deputy City Clerk

Dated: June 17, 2015

Approved as to form:

Janice D. Magdich
City Attorney

EXHIBIT A

City of Lodi -- Wastewater Utility

Current and Proposed Wastewater Rates

	Current	July 2015
Residential		
Percent Increase		2.8
Flat Rates (\$/month)		
1 Bedroom	\$ 26.48	\$ 27.22
2 Bedroom	\$ 35.30	\$ 36.29
3 Bedroom	\$ 44.13	\$ 45.36
4 Bedroom	\$ 52.95	\$ 54.43
5 Bedroom	\$ 61.78	\$ 63.51
6 Bedroom	\$ 70.60	\$ 72.58
7 Bedroom	\$ 79.43	\$ 81.65
Mobile Homes		
Any Size	\$ 26.48	\$ 27.22
Usage-Based Rates (1)		
Service Charge (\$/month for 3/4" water meter)	\$ 24.11	\$ 24.78
Usage Charge (\$/CCF) (1)	\$ 2.75	\$ 2.82
Non-Residential (\$/month) (2)		
Moderate Strength (per SSU)	\$ 35.30	\$ 36.29
High Strength		
Flow (per MG, annual basis)	\$ 3,574.60	\$ 3,674.68
BOD (per 1,000 lbs, annual basis)	\$ 589.90	\$ 606.41
SS (per 1,000 lbs, annual basis)	\$ 368.85	\$ 379.17
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 312.34	\$ 321.08
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 663.06	\$ 681.63
Disposal to Storm Drain System (per MG)	\$ 328.09	\$ 337.28

Notes:

- (1) Winter water usage determined as average monthly usage from December through February.
- (2) Flat wastewater rates for schools are to be determined on the basis of 18 students per SSU.



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Resolution Adopting Final Engineer's Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2015/16; and Ordering the Levy and Collection of Assessments

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Public hearing to consider resolution adopting Final Engineer's Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2015/16, and ordering the levy and collection of assessments.

BACKGROUND INFORMATION: Over the past 12 years, the City Council has formed a total of 16 zones of the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 (District). The scope of maintenance activities funded by the District includes 1) landscape and irrigation, 2) masonry block walls, and 3) street parkway trees. The activities and levy amounts vary by zone, as described in the City of Lodi, Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Annual Report (Report), Fiscal Year 2015/16.

The report describes the general nature, location and extent of the improvements to be maintained and an estimate of the costs of the maintenance, operations, and servicing for the improvements. The report includes a diagram for the District showing the area and properties proposed to be assessed; an assessment of the estimated costs of the maintenance, operations and servicing for the improvements; and the net levy upon all assessable lots and/or parcels within the District.

The total estimated cost of maintenance for FY 2015/16 is \$60,190. This is a slight increase over last year, however utilizing a substantial reserve generated over many years, the individual zone and the total District's assessment for Fiscal Year 2015/16 will remain unchanged from Fiscal Year 2014/15. The total amount being assessed for this is \$34,163, with an estimated \$26,027 being applied from previous year collection reserve. Staff intends to utilize the reserve to offset annual increases until such time that the reserve is reduced to an appropriate level.

The individual zone assessments range from \$18 to \$55 per Dwelling Unit Equivalent (DUE). The assessments per DUE vary because the specific improvements maintained in each zone are different. The average assessment per DUE is \$44.

The Fiscal Year 2015/16 budget is provided in Attachment A. The Report is provided in Attachment B.

APPROVED: _____
Stephen Schwabauer, City Manager

Notice of this public hearing was posted in the *Lodi News Sentinel*. Individual notification to the property owners is not required and, therefore, not sent.

The action requested of the City Council is to approve the Report and order the levy and collection of the assessments.

FISCAL IMPACT: Funding for preparation of the Report is included in the assessments.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Sean Nathan, Associate Civil Engineer
FWS/CS/SN/tb
Attachments
cc: Deputy Public Works Director / City Engineer
NBS

ATTACHMENT A
Fiscal Year 2015/16 Budget

Description	Amount
Annual Maintenance:	
1. Landscape	
Maintenance	\$38,208.00
Contingency	3,820.80
Reserve	0.00
<i>Total Landscape</i>	<i>\$42,028.80</i>
2. Street Parkway Trees	
Maintenance	\$1,266.00
Contingency	126.60
<i>Total Street Parkway Trees</i>	<i>\$1,392.60</i>
3. Masonry Walls	
Repair/Maintenance/Graffiti Removal	\$1,000.00
Contingency	100.00
<i>Total Masonry Walls</i>	<i>\$1,100.00</i>
Total Annual Maintenance:	\$44,521.40
General Benefit Contribution ¹:	(\$841.45)
Total Assessable Maintenance:	\$43,679.95
Incidentals:	
A. Consultant Fees	\$12,488.15
B. City Administrative Fees	2,184.00
C. Publication	1,500.00
D. County Collection Fees	338.39
Total Incidentals:	\$16,510.54
Total Assessable Maintenance & Incidentals:	\$60,190.49
Surplus from Previous Fiscal Year:	(\$26,027.51)
BALANCE TO ASSESSMENT:	\$34,162.98

¹ Information about the General Benefit component can be located in Section 5 of this report.



City of Lodi

Consolidated Landscape Maintenance District No. 2003-1

Fiscal Year 2015/16 Engineer's Report

July 2015

Main Office

32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516 Fax: 951.296.1998

Regional Office

870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.434.8349 Fax: 415.391.8439

**CITY OF LODI
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1**

**221 W. Pine Street
Lodi, California 95240
Phone - (209) 333-6800
Fax - (209) 333-6710**

CITY COUNCIL

Bob Johnson, Mayor
Mark Chandler, Mayor Pro Tempore
Doug Kuehne, Council Member
Joanne Mounce, Council Member
Alan Nakanishi, Council Member

CITY STAFF

Stephen Schwabauer, City Manager
Jordan Ayers, Deputy City Manager
Jennifer M. Ferraiolo, City Clerk
Janice D Magdich, City Attorney
Wally Sandelin, Public Works Director

NBS

Greg Davidson, Client Services Director
Nick Dayhoff, Consultant

TABLE OF CONTENTS

1. ENGINEER'S LETTER	1-1
2. OVERVIEW	2-1
2.1 District Formation and Annexation History	2-1
2.2 Effect of Proposition 218	2-2
3. PLANS AND SPECIFICATIONS	3-1
4. BENEFITS	4-1
4.1 Masonry Wall Maintenance	4-1
4.2 Landscape Maintenance	4-1
4.3 Street Parkway Trees Maintenance.....	4-1
5. QUANTIFICATION OF GENERAL BENEFIT	5-1
5.1 Introduction.....	5-1
5.2 Separation of General Benefit	5-1
5.3 Masonry Wall Maintenance	5-2
5.4 Landscape Maintenance	5-4
5.5 Street Parkway Trees Maintenance.....	5-7
5.6 Collective General Benefit	5-7
6. ASSESSMENT METHODOLOGY	6-1
6.1 Benefit Points	6-1
6.2 Benefit Factor	6-2
6.3 Benefit Units	6-2
6.4 Assessment Rate per Benefit Unit.....	6-3
6.5 Adjustments to Maximum Assessments	6-3
7. ESTIMATE OF COSTS	7-1
7.1 Budget for Fiscal Year 2015/16	7-1
7.2 Assessment Rates per DUE	7-2
8. ASSESSMENT DIAGRAMS	8-1
9. FISCAL YEAR 2015/16 ASSESSMENT ROLL	9-1

1. ENGINEER'S LETTER

WHEREAS, on June 17, 2015, the *City Council* (the "Council") of the *City of Lodi* (the "City"), pursuant to the *Landscaping and Lighting Act of 1972* (the "Act"), adopted a resolution initiating proceedings for the levy and collection of assessments for the *Lodi Consolidated Landscape Maintenance District No. 2003-1* (the "District"), Fiscal Year 2015/16;

WHEREAS, said resolution ordered NBS Government Finance Group, DBA NBS, to prepare and file a report, in accordance with §22567 of the Act, concerning the assessment of the estimated costs of operating, maintaining and servicing the improvements within the District for the fiscal year commencing July 1, 2015 and ending June 30, 2016.

NOW THEREFORE, the following assessments are made to finance the operation, maintenance, and servicing of the improvements within the District:

DESCRIPTION	AMOUNT
Zone 1 - Total Assessment	\$4,075.92
Dwelling Unit Equivalents	74.000
Assessment per Dwelling Unit Equivalent	\$55.08
Zone 2 - Total Assessment	\$7,325.64
Dwelling Unit Equivalents	133.000
Assessment per Dwelling Unit Equivalent	\$55.08
Zone 3 - Total Assessment	\$716.04
Dwelling Unit Equivalents	39.000
Assessment per Dwelling Unit Equivalent	\$18.36
Zone 4 - Total Assessment	\$624.24
Dwelling Unit Equivalents	34.000
Assessment per Dwelling Unit Equivalent	\$18.36
Zone 5 - Total Assessment	\$12,282.84
Dwelling Unit Equivalents	223.000
Assessment per Dwelling Unit Equivalent	\$55.08
Zone 6 - Total Assessment	\$4,406.40
Dwelling Unit Equivalents	80.000
Assessment per Dwelling Unit Equivalent	\$55.08
Zone 8 - Total Assessment	\$936.36
Dwelling Unit Equivalents	17.000
Assessment per Dwelling Unit Equivalent	\$55.08
Zone 9 - Total Assessment	\$201.96
Dwelling Unit Equivalents	11.000
Assessment per Dwelling Unit Equivalent	\$18.36

(Continued on next page)

DESCRIPTION	AMOUNT
Zone 11 - Total Assessment	\$440.64
Dwelling Unit Equivalents	8.000
Assessment per Dwelling Unit Equivalent	\$55.08
Zone 13 - Total Assessment	\$1,709.34
Dwelling Unit Equivalents	93.104
Assessment per Dwelling Unit Equivalent	\$18.36
Zone 14 - Total Assessment	\$624.24
Dwelling Unit Equivalents	17.000
Assessment per Dwelling Unit Equivalent	\$36.72
Zone 15 - Total Assessment	\$665.88
Dwelling Unit Equivalents	36.268
Assessment per Dwelling Unit Equivalent	\$18.36
Zone 16 - Total Assessment	\$153.48
Dwelling Unit Equivalents	8.360
Assessment per Dwelling Unit Equivalent	\$18.36

I, the undersigned, respectfully submit this report and, to the best of my knowledge, information and belief, the assessments and assessment diagrams herein have been computed and prepared in accordance with the order of the Council.

F. Wally Sandelin, P.E., Engineer of Work

Date

Seal

2. OVERVIEW

This report describes the District and details the assessments to be levied against the parcels therein for Fiscal Year 2015/16. Such assessments account for all estimated direct & incidental expenses, deficits/surpluses, revenues, and reserves associated with the operation, servicing and maintenance of the improvements.

The word “parcel,” for the purposes of this report, refers to an individual property that has been assigned an Assessor’s Parcel Number by the San Joaquin County Assessor. The San Joaquin County Auditor-Controller uses Assessor’s Parcel Numbers and specific Tax Codes to identify the parcels assessed on the County Tax Roll within special benefit districts.

2.1 District Formation and Annexation History

The District is currently comprised of 13 distinct zones within the City. New zones may be annexed into the District if approved via property owner balloting proceedings.

ZONES 1 AND 2

A report was prepared in 2003 for Zones 1 and 2. Property owner balloting proceedings were conducted, effective for the Fiscal Year 2004/05 assessment. After attaining property owner approval, the City began levying and collecting these assessments on the County Tax Roll in order to provide continuous funding for the related improvements.

ZONES 3 THROUGH 6

In 2004, separate reports were prepared for Zones 3 through 6. Property owner balloting proceedings were conducted within Zones 3 and 4 for the Fiscal Year 2004/05 assessment and within Zones 5 through 7 for the Fiscal Year 2005/06 assessment. After attaining property owner approval, the City began levying and collecting these assessments on the County Tax Roll in order to provide continuous funding for the related improvements.

ZONES 8, 9, AND 11

A separate report was prepared in 2005 for Zones 8, 9, and 11. Property owner balloting proceedings were conducted for the Fiscal Year 2005/06 assessment. After attaining property owner approval, the City began levying and collecting these assessments on the County Tax Roll in order to provide continuous funding for the related improvements.

ZONE 13

A separate engineer’s report was prepared in 2007 for Zone 13. Property owner balloting proceedings were conducted for the Fiscal Year 2007/08 assessment. After attaining property owner approval, the City began levying and collecting these assessments on the County Tax Roll in order to provide continuous funding for the related improvements.

ZONES 14 THROUGH 16

A separate engineer’s report was prepared in 2008 for Zones 14 through 16. Property owner balloting proceedings were conducted for the Fiscal Year 2008/09 assessment. Property owner approval was attained; the City will begin levying and collecting these assessments on the County Tax Roll in order to provide continuous funding for the related improvements.

2.2 Effect of Proposition 218

On November 5, 1996, California voters approved Proposition 218 (Government Code commencing with Section 53739) by a margin of 56.5% to 43.5%. The provisions of the Proposition, now a part of the California Constitution, add substantive and procedural requirements to assessments, which affect the City's landscape maintenance assessments.

The Act, Article XIID of the Constitution of the State of California and the Proposition 218 Omnibus Implementation Act are referred to collectively as the "Assessment Law".

3. PLANS AND SPECIFICATIONS

The facilities operated, serviced and maintained within each Zone are generally described as follows:

ZONE 1 – ALMONDWOOD ESTATES

1. A masonry wall and 13.5' wide landscaping area along the east side of Stockton Street from the project's north boundary to Almond Drive, including the angled corner section at Elgin Avenue, approximately 1,220 linear feet.
2. A masonry wall and 13.5' wide landscaping area along the north side of Almond Drive from the project's east boundary westerly to Stockton Street, including the angled corner sections at Blackbird Place and Stockton Street, approximately 340 linear feet.
3. Street parkway trees located within the public street within the Zone 1 boundary.

ZONE 2 – CENTURY MEADOWS ONE, UNITS 2 & 3

1. A masonry wall and 13.5' wide landscaping area along the north side of Harney Lane from the project's east boundary to the west boundary, including the 2 angled corner sections at Poppy Drive, approximately 1,200 linear feet.
2. Street parkway trees located within the public street within the Zone 2 boundary.

ZONE 3 – MILLSBRIDGE II

1. Street parkway trees located within the public street within the Zone 3 boundary.

ZONE 4 – ALMOND NORTH

1. Street parkway trees located within the public street within the Zone 4 boundary.

ZONE 5 – LEGACY ESTATES I & II AND KIRST ESTATES

Legacy Estates I

1. A masonry wall and 13.5' wide landscaping strip, divided by a 4-foot wide meandering sidewalk, along the north side of Harney Lane at the back of lots 10-24 of Legacy Estates I, approximately 950 linear feet.
2. Street parkway trees located within the public street within the Zone 5 boundary.

Legacy Estates II

1. A masonry wall and 13.5' wide landscaping strip, divided by a 4-foot wide meandering sidewalk, along the west side of Mills Avenue from the project's southern boundary on Mills Avenue to the intersection of Wyndham Way, approximately 590 linear feet.
2. A masonry wall and 13.5' wide landscaping strip, divided by a 4-foot wide meandering sidewalk, along the north side of Harney Lane at the back of lots 69-77 of Legacy Estates II, approximately 525 linear feet.
3. Street parkway trees located within the public street within the Zone 5 boundary.

Kirst Estates

1. Street parkway trees located within the public street within the Zone 5 boundary.

ZONE 6 – THE VILLAS

1. A masonry wall and 8.5' wide landscaping area along the east side of Panzani Way from the project's south boundary to the intersection of Porta Rosa Drive, approximately 120 linear feet.
2. A masonry wall and 27.5 to 43.0-foot variable width landscaping strip, divided by a 4-foot wide meandering sidewalk, along the north side of Harney Lane from Panzani Way to the frontage road, approximately 425 linear feet.
3. A masonry wall and 15.0 to 44.0-foot variable width landscaping strip, divided by a 4-foot wide meandering sidewalk, along the west of the frontage road and the east side of San Martino Way from Harney Lane to the project's north boundary, approximately 700 linear feet.
4. Parcel B, between lots 1 and 50, a variable width landscaping strip, approximately 250 linear feet.
5. Street parkway trees located within the public street within the Zone 6 boundary.

ZONE 8 – VINTAGE OAKS

1. A masonry wall and 13.5' wide landscaping strip, including a 4-foot wide sidewalk, extending north and south of the future Vintage Oaks Court along the east side of S. Lower Sacramento Road for a total distance of approximately 252 linear feet.
2. A 9.5' wide landscaping strip in the east half of the Lower Sacramento Road median, west of the Zone 8 boundary.
3. Street parkway trees located within the public street (Vintage Oaks Court) within the Zone 8 boundary.

ZONE 9 – INTERLAKE SQUARE

1. Street parkway trees located within the public rights-of-way of School Street and Park Street within the Zone 9 boundary.

ZONE 11 – TATE PROPERTY

1. A masonry wall and 13.5' wide landscaping strip, divided by a 4-foot wide meandering sidewalk, along the north side of Harney Lane, immediately east of Legacy Way, approximately 140 linear feet.
2. Street parkway trees located within the public street (Legacy Way) within the Zone 11 boundary.

ZONE 13 – GUILD AVENUE INDUSTRIAL

1. A 15.0 foot irrigated, landscaped strip in a 16.0 foot median in Victor Road (Highway 12) south of the Zone 13 boundary, extending west from the current City limits for a distance of 700 feet.
2. A 28.5 foot irrigated landscape strip on the north side of Victor Road (Highway 12), extending westerly from the current City limits to 231 feet west of the Guild Avenue intersection centerline and having a total length of 1,485 feet.

ZONE 14 – LUCA PLACE

1. A 6.5-foot irrigated landscape strip in the east half of the Westgate Drive median, west of the Zone 14 boundary.
2. Street parkway trees located within the public street (Westgate Drive), within the Zone 14 boundary.

ZONE 15 – GUILD AVENUE INDUSTRIAL

1. A 15.0 foot irrigated, landscaped strip in a 16.0 foot median in Victor Road (Highway 12) south of the Zone 15 boundary, extending west from the current City limits for a distance of 700 feet.
2. A 28.5 foot irrigated landscape strip on the north side of Victor Road (Highway 12), extending westerly from the current City limits to 231 feet west of the Guild Avenue intersection centerline and having a total length of 1,485 feet.

ZONE 16 – WEST KETTLEMAN LANE COMMERCIAL

1. A variable width (15 to 18 feet) irrigated, landscaped strip in the segmented median in W. Kettleman Lane (Highway 12) extending west from Ham Lane to Westgate Drive and having a total landscaped area of 36,505 square feet.
2. A variable width (12 to 20 feet) irrigated landscape strip in the segmented median in Lower Sacramento Road extending south from the north boundary of parcel APN 027-410-06 (2429 W. Kettleman Lane) to the south boundary of APN 058-030-13 (1551 S. Lower Sacramento Road) and having a total landscaped area of 13,490 square feet.

4. BENEFITS

The special benefits conferred from the installation and maintenance of the improvements need to be identified. The improvements shown in Section 3 are, hereby, reasonably determined to confer certain special benefits to parcels within each applicable Zone, and such special benefits are described below.

4.1 *Masonry Wall Maintenance*

The overall appeal of an area is enhanced when neighborhood masonry wall improvements are in place and kept in satisfactory condition. Conversely, appeal decreases when such walls are deteriorating, damaged, unsafe or defaced by graffiti.

Improved Aesthetics: Neighborhood masonry walls, when coupled with landscaping improvements, improve the livability, appearance and desirability for properties within each applicable Zone. Such walls also create a sense of community within the applicable Zones. According to the Victoria Transport Policy Institute (2011), streetscapes have a significant effect on how people view and interact with their community. With streetscapes that are safe and inviting, people are more likely to walk, which can help reduce automobile traffic, improve public health, stimulate local economic activity and attract residents and visitors to the community.

4.2 *Landscape Maintenance*

The overall appeal of an area is enhanced when landscaping improvements are in place and kept in a healthy and satisfactory condition. Conversely, appeal decreases when landscaping is overgrown, unsafe or destroyed by the elements or vandalism.

Improved Aesthetics: Street landscaping improvements improve the livability, commercial activity, appearance and desirability for properties within each applicable Zone. Regular maintenance ensures that the improvements do not reach a state of deterioration or disrepair so as to be materially detrimental to properties adjacent to or in close proximity to the improvements within each applicable Zone. According to the Victoria Transport Policy Institute (2011), streetscapes have a significant effect on how people view and interact with their community. With streetscapes that are safe and inviting, people are more likely to walk, which can help reduce automobile traffic, improve public health, stimulate local economic activity and attract residents and visitors to the community.

4.3 *Street Parkway Trees Maintenance*

The overall appeal of an area is enhanced when street parkway trees improvements are in place and kept in a healthy and satisfactory condition. Conversely, appeal decreases when street parkway trees are overgrown, unsafe or destroyed by the elements or vandalism.

Improved Aesthetics: Much like street landscaping improvements, maintenance of street parkway trees improves the livability, appearance and desirability for properties within each applicable Zone. Regular maintenance ensures that the improvements do not reach a state of deterioration or disrepair so as to be materially detrimental to properties adjacent to or in close proximity to the improvements within each applicable Zone. According to the Urban Forestry Network, trees add beauty to their surroundings by adding color to an area, softening harsh lines of buildings, screening unsightly views

and contributing to the character of their environment. Trees have also proven to contribute to a community's economy and way of life. Trees planted along and around buildings provide a distraction for the eye, softening the background. Trees also contribute eye-catching colors to their surroundings, from the different shades of green found in the leaves, the colors found in flowering trees and sometimes even the bark of the tree.

5. QUANTIFICATION OF GENERAL BENEFIT

5.1 Introduction

Pursuant to Article XIID, all parcels that receive a special benefit conferred upon them as a result of the improvements shall be identified, and the proportionate special benefit derived by each identified parcel shall be determined in relationship to the entire cost of the improvements. *Division 12 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972*, permits the establishment of assessment districts by local agencies for the purpose of providing certain public improvements necessary or convenient for providing certain public services.

Section 22573 of the Act requires that assessments must be levied according to benefit received rather than according to assessed value. This Section states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements."

Article XIID, Section 4(a) of the California Constitution limits the amount of any assessment to the proportional special benefit conferred on the property. Article XIID also provides that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit. Furthermore, it's required that the City separate the general benefits from special benefits, because only special benefits may be assessed to property owners.

5.2 Separation of General Benefit

Section 4 of Article XIID of the California Constitution provides that once a local agency which proposes to impose assessments on property has identified those parcels that will have special benefits conferred upon them, the local agency must next "separate the general benefits from the special benefits conferred," and only the special benefits can be included in the amount of the assessments imposed.

General benefit is an overall and similar benefit to the public at large resulting from the improvements and services to be provided. The District improvements and maintenance services, which are more fully presented in Section 3 of this Report, will only be provided within the boundaries of each Zone. There will be no improvements or maintenance services provided by the District outside of the boundaries of each Zone.

The improvements provide aesthetic benefits to the properties within the various Zones of the District. However, it's recognized that the maintenance of the improvements also provides a level of benefit to some property and businesses within close proximity to the District, as well as visitors and individuals passing through the District. Vehicular traffic and pedestrians passing through the various Zones will be able to enjoy the improvements and maintenance services. Therefore, it is necessary to quantify these general benefits.

5.3 Masonry Wall Maintenance

One method for determining the general aesthetic benefit conferred by the maintenance of the various neighborhood masonry walls is to compare the estimated time spent by occupants in vehicles and pedestrians traversing the improvements (general) to the estimated time spent by the population of the various Zones in close proximity to the improvements (special). Estimated time for these purposes will be referred to as “population-hours”, i.e., number of accumulated hours per day attributed to people in and around the area of the improvements. For purposes of this calculation, we will assign 24 hours to the estimated number of persons residing within each Zone.

According to the U.S. Census Bureau (2014), the average household size in the City is 2.82 persons. The following shows the number of residential units, the estimated persons, and the total population-hours of each Zone benefitting from masonry wall maintenance:

Zone	Number of Residential Units	Estimated Number of Persons ¹	Population-Hours (Special) ²
1	74	209	5,008.32
2	133	375	9,001.44
5	223	629	15,092.64
6	80	226	5,414.40
8	17	48	1,150.56
11	8	23	541.44
TOTAL	535	1,510	36,208.80

1 Number shown is rounded to the nearest whole number.

2 Estimated Number of Persons multiplied by 24 (hours).

We now need to estimate the population-hours generated by occupants in vehicles passing by the masonry wall improvements throughout the District. Any vehicle using the City's streets that lie along the boundaries of the District that is coming or going to a parcel within the District ultimately is not part of the “general public” benefitting from the improvements and services, and will not be included in the calculation of general benefit. We will use several factors for such calculation, including average daily vehicle trips for the streets passing by the improvements of each Zone, the speed limit of those streets, the length of the improvements, and the estimated number of occupants per vehicle.

According to data from the U.S. Department of Transportation (2011), the weighted average number of occupants per vehicle is 1.674. The following table shows the average number of occupants for each mode of vehicular transportation, the percentage of each mode of vehicular transportation, and the overall weighted average occupancy per vehicle:

Mode	Occupants	Percentage of All Vehicles	Weighted Occupancy
Car	1.59	50.6%	0.804
Van	2.35	7.9%	0.187
Sport Utility	1.92	17.9%	0.344
Pickup	1.49	19.9%	0.296
Other Truck	1.12	0.4%	0.004
Motorcycle	1.18	3.3%	0.039
Weighted Average Vehicle Occupancy			1.674

Using the weighted average vehicle occupancy number determined above, we can estimate the number of vehicle occupants passing by the improvements each day. We then multiply the time it takes to traverse the improvements at the given speed limit by the number of estimated vehicle occupants to derive population-hours for vehicular traffic.

The following table summarizes the calculation of population-hours for vehicle occupants passing by the masonry wall improvements, based upon the methodology and assumptions above:

Zone	Street	Speed Limit	Length of Imp. (mi)	Time Passing Imp. (hr)	Average Daily Vehicle Trips ¹	Estimated Vehicle Occupants ²	Population-Hours (General)
1	Stockton St.	40 MPH	0.231	0.0058	10,052	16,827	97.06
	Almond Dr.	30 MPH	0.065	0.0022	3,170	5,307	11.56
2	Harney Ln.	45 MPH	0.226	0.0050	8,439	14,128	70.87
5	Harney Ln.	45 MPH	0.310	0.0069	5,457	9,136	62.88
	Mills Ave.	30 MPH	0.113	0.0038	2,559	4,284	16.16
6	Harney Ln.	45 MPH	0.081	0.0018	11,115	18,608	33.43
	Cherokee Ln.	45 MPH	0.126	0.0028	3,439	5,757	16.15
8	L. Sac. Rd.	50 MPH	0.047	0.0009	14,575	24,400	22.70
11	Harney Ln.	45 MPH	0.028	0.0006	6,891	11,536	7.16
TOTAL POPULATION-HOURS (VEHICLE OCCUPANTS)							337.97

- 1 Data provided by the City; adjusted to remove estimated average daily vehicle trips generated by the parcels within each Zone, based upon data compiled in the ITE Trip Generation Manual (7th Edition), so that they are not included in the general benefit calculation.
- 2 Number shown is rounded to the nearest whole number.

In addition to vehicular traffic passing by the improvements, we also need to estimate the general benefits conferred to pedestrians that don't reside within the District, but may walk by the improvements. For this purpose, we will consider the estimated population within one-half mile of the various masonry wall improvements who may walk past those improvements on a daily basis.

The Summary of Travel Trends, 2009 National Household Travel Survey (NHTS) prepared by the U.S. Department of Transportation Federal Highway Administration (FHWA, 2011) analyzed the number of person trips by various modes of transportations such as private vehicle, transit, walking or some other means of transportation. According to the Pacific Division data extracted from the 2009 NHTS database, of the annual 181,703 (in millions) total person trips, 21,252 (in millions) or 11.70% of those person trips were made by using walking as their mode of transportation (FHWA, 2011).

In order to determine the estimated total number of persons who are within close proximity to the masonry wall improvements, and would utilize walking as their mode of transportation, we applied the 11.70% of person trips reported from the NHTS Pacific Division study, to the estimated number of persons residing within one-half mile of each Zone boundary.

In order to obtain a better picture of the overall level of general benefit provided by the masonry wall improvements, the pedestrian traffic that utilizes walking as the mode of transportation that may walk by the various improvements, but live outside of the various Zones, must be considered. The 2009 NHTS further details the purposes of the 21,252 (in millions) reported walking trips. Based on the property types within the District, people walking along the improvements would most likely do so for the following reasons: walking to school, day care or religious activity, social or recreational activities, and to shop or run errands.

The following details the number of walking trips, based on the 2009 NHTS study, for each of the activities that are the most likely reasons people outside of each Zone would use the sidewalks along the Zone boundary where the improvements are located:

Trip Purpose	Number of Walking Trips (in millions)
School/Daycare/Religious Activity	872
Shopping/Errands	5,820
Social/Recreational	2,268
Don't know/Other	139
Total	9,099

Of the total number of walking trips reported, 9,099 (in millions), or 42.81%, are for purposes that persons outside of each Zone would utilize the sidewalks along the Zone boundary where the improvements are located. We then need to estimate the accumulated amount of time it would take for these pedestrians to traverse the various improvements walking at a conservative average speed of 2 MPH.

The following table summarizes the calculation of population-hours for pedestrians passing by the masonry wall improvements, based upon the methodology and assumptions above:

Zone	Estimated Residential Units Outside Zone ¹	Estimated Population Outside Zone ²	Estimated Number of Pedestrians ³	Estimated Number of Peds. Passing ⁴	Length of Imp. (mi)	Time Passing Imp. (hr) ⁵	Population-Hours (General)
1	2,845	8,023	939	402	0.296	0.1480	59.47
2	1,984	5,595	655	280	0.226	0.1130	31.67
5	1,287	3,629	425	182	0.423	0.2115	38.45
6	895	2,524	295	126	0.207	0.1035	13.08
8	539	1,520	178	76	0.047	0.0235	1.79
11	720	2,030	238	102	0.028	0.0140	1.42
TOTAL POPULATION-HOURS (PEDESTRIAN)							145.88

1 Within one-half mile of Zone.

2 2.82 residents per household, per U.S. Census Bureau data. Number shown is rounded to the nearest whole number.

3 An estimated 11.70% of population use walking as primary mode of transportation. Number shown is rounded to the nearest whole number.

4 An estimated 42.81% of pedestrians may walk by improvements for purposes described above. Number shown is rounded to the nearest whole number.

5 Estimated using an average walking speed of 2 MPH.

Summing the total special and general population-hours gives us a total of 36,692.65; therefore, the general benefit to vehicle occupants and pedestrians passing by the masonry wall improvements throughout the District is estimated to be 1.32% $[(337.97 + 145.88) / 36,692.65]$.

Masonry Wall General Benefit	1.32%
-------------------------------------	--------------

5.4 Landscape Maintenance

In order to estimate the general aesthetic benefit conferred by the maintenance of the various landscaping improvements throughout the District, we will use the same methodology used to determine the general benefits conferred by the maintenance of the masonry wall improvements. The landscaping improvements for Zones 1, 2, 5, 6, 8, and 11 are all along the masonry walls within those Zones, so the population-hours data calculated for the masonry wall improvements will be the same for the landscape maintenance. However, there are four additional Zones for which the landscape maintenance must be considered: Zones 13, 14, 15, and 16.

The following shows the number of residential units, the estimated persons, and the total population-hours for each Zone benefitting from the landscape improvements:

Zone	Number of Residential Units	Estimated Number of Persons ¹	Population-Hours (Special) ²
1	74	209	5,008.32
2	133	375	9,001.44
5	223	629	15,092.64
6	80	226	5,414.40
8	17	48	1,151.56
11	8	23	541.44
14	17	48	1,150.56
TOTAL	552	1,558	37,360.36

1 2.82 persons per household. Number shown is rounded to the nearest whole number.

2 Estimated Number of Persons multiplied by 24 (hours)

There are also three non-residential Zones that benefit from the landscaping improvements and need to be considered. Due to the commercial nature of these properties, the calculation of population-hours will differ from that of the residential parcels. For these parcels, we will estimate population-hours factoring how long it takes for each vehicle trip generated by the properties within these Zones to traverse the improvements located within each Zone. The following table shows the calculation of population-hours for the non-residential Zones:

Zone	Street	Speed Limit	Length of Imp. (mi)	Time Passing Imp. (hr)	Average Daily Vehicle Trips ²	Estimated Vehicle Occupants ³	Population-Hours (Special)
13 & 15 ¹	Victor Rd.	45 MPH	0.414	0.0092	1,377	2,306	21.21
16	Kettleman Ln.	35 MPH	0.376	0.0107	559	937	10.05
	L. Sac. Rd.	50 MPH	0.117	0.0023	381	638	1.50
TOTAL POPULATION-HOURS (SPECIAL)							32.76

1 The improvements for Zones 13 and 15 are exactly the same, so they were considered one entity for purposed of this calculation.

2 Estimated average daily vehicle trips, based upon data compiled in the ITE Trip Generation Manual (7th Edition).

3 1.674 persons per vehicle. Number shown is rounded to the nearest whole number.

From this, we have determined that the total population-hours relating to special benefit are 37,393.12:

Category	Population-Hours (Special)
Residential	37,360.36
Non-Residential	32.72
TOTAL	37,393.08

We now need to estimate the population-hours generated by occupants in vehicles passing by the landscape improvements throughout the District. Any vehicle using the City's streets that lie along the boundaries of the District that is coming or going to a parcel within the District ultimately is not part of the "general public" benefitting from the improvements and services, and will not be included in the calculation of general benefit. Just like in the previous subsection, we will use several factors for such calculation, including average daily vehicle trips for the streets passing by the improvements of each Zone, the speed limit of those streets, the length of the improvements, and the estimated number of occupants per vehicle.

The following table summarizes the calculation of population-hours for vehicle occupants passing by the landscape improvements, based upon the methodology and assumptions above:

Zone	Street	Speed Limit	Length of Imp. (mi)	Time Passing Imp. (hr)	Average Daily Vehicle Trips ³	Estimated Vehicle Occupants ⁴	Population-Hours (General)
1	Stockton St.	40 MPH	0.231	0.0058	10,052	16,827	97.06
	Almond Dr.	30 MPH	0.065	0.0022	3,170	5,307	11.56
2	Harney Ln.	45 MPH	0.226	0.0050	8,439	14,128	70.87
5	Harney Ln.	45 MPH	0.310	0.0069	5,457	9,136	62.88
	Mills Ave.	30 MPH	0.113	0.0038	2,559	4,284	16.16
6	Harney Ln.	45 MPH	0.081	0.0018	11,115	18,608	33.43
	Cherokee Ln.	45 MPH	0.126	0.0028	3,439	5,757	16.15
8	L. Sac. Rd.	50 MPH	0.047	0.0009	14,575	24,400	22.70
11	Harney Ln.	45 MPH	0.028	0.0006	6,891	11,536	7.16
13 & 15 ¹	Victor Rd.	45 MPH	0.414	0.0092	9,423	15,774	145.06
14 ²	Westgate Dr.	25 MPH	0.157	0.0063	172	289	1.81
16	Kettleman Ln.	35 MPH	0.376	0.0107	28,291	47,361	508.21
	L. Sac. Rd.	50 MPH	0.117	0.0023	19,274	32,266	75.73
TOTAL POPULATION-HOURS (VEHICLE OCCUPANTS)							1,068.78

- 1 The improvements for Zones 13 and 15 are exactly the same, so they were considered one entity for purposes of this calculation.
- 2 Average Daily Trips along Westgate Dr. were estimated, using data compiled in the ITE Trip Generation Manual (7th Edition), since data from the City was not available.
- 3 Data provided by the City; adjusted to remove estimated average daily vehicle trips generated by the parcels within each Zone, based upon data compiled in the ITE Trip Generation Manual (7th Edition), so that they are not included in the general benefit calculation.
- 4 Number shown is rounded to the nearest whole number.

In addition to vehicular traffic passing by the improvements, we also need to estimate the general benefits conferred to pedestrians that don't reside within the District, but may walk by the improvements. For this purpose, we will consider the estimated population within one-half mile of the various landscape improvements who may walk past those improvements on a daily basis.

Zone	Estimated Residential Units Outside Zone ²	Estimated Population Outside Zone ³	Estimated Number of Pedestrians ⁴	Estimated Number of Peds. Passing ⁵	Length of Imp. (mi)	Time Passing Imp. (hr) ⁶	Population-Hours (General)
1	2,845	8,023	939	402	0.296	0.1480	59.47
2	1,984	5,595	655	280	0.226	0.1130	31.67
5	1,287	3,629	425	182	0.423	0.2115	38.45
6	895	2,524	295	126	0.207	0.1035	13.08
8	539	1,520	178	76	0.047	0.0235	1.79
11	720	2,030	238	102	0.028	0.0140	1.42
13 & 15 ¹	329	928	109	46	0.414	0.2070	9.62
14	207	584	68	29	0.157	0.0785	2.30
16	2,152	6,069	710	304	0.493	0.2465	74.93
TOTAL POPULATION-HOURS (PEDESTRIAN)							232.73

- 1 The improvements for Zones 13 and 15 are exactly the same, so they were considered one entity for purposes of this calculation.
- 2 Within one-half mile of Zone.
- 3 2.82 residents per household, per U.S. Census Bureau data. Number shown is rounded to the nearest whole number.
- 4 An estimated 11.70% of population use walking as primary mode of transportation, as noted in Section 5.3. Number shown is rounded to the nearest whole number.
- 5 An estimated 42.81% of pedestrians may walk by improvements for purposes described in Section 5.3. Number shown is rounded to the nearest whole number.
- 6 Estimated using an average walking speed of 2 MPH.

Summing the special and general population-hours gives us a total of 38,694.59; therefore, the general benefit to vehicle occupants and pedestrians passing by the landscape improvements throughout the District is estimated to be 3.36% $[(1,068.78 + 232.73) / 38,694.59]$.

Landscaping General Benefit	3.36%
------------------------------------	--------------

5.5 Street Parkway Trees Maintenance

All of the street parkway tree improvements within the various Zones are along what are considered local streets, i.e. streets other than major arterial or collector streets within the City. In other words, these streets are intended to serve only the individual residential neighborhoods in which they are located, and not to be pass-through streets. In addition, according to the City's General Plan (2010), local streets accommodate low volumes of local traffic and provide access to individual parcels. Local streets typically have two travel lanes and allow parking on both sides of the street. Through traffic is permitted on local streets, but high speeds are discouraged.

From a visual inspection of the layout of the various Zones, one must conclude that the purpose of the local streets is exclusively intended for the benefit of the parcels on such streets. There is no local street that provides a direct or efficient means of traveling from one place to another such that one could reasonably expect a driver to purposefully choose the District's local streets as the best route for travel unless necessary because the route either began or ended with a parcel in the District. A route beginning or ending with a parcel within the District does not include the "general public" for purposes of determining general benefit.

However, one can imagine a minimal degree of pass-through traffic even on something such as a cul-de-sac. As expressed by the Appellate Court in *Beutz v. County of Riverside* (2010), "... courts of this state have long recognized that virtually all public improvement projects provide general benefits."

Given the location to the schools, parks, and shopping in the City, there are bound to be drivers that make use of the local streets for no other reason but to turn around or go back from where they came, especially if they are dropping their children off at one of the schools. Additionally, given the nature of the street trees, one could imagine a small degree of "residential tourism" wherein drivers are in fact simply "passing through" to enjoy the beautiful views of the homes, the natural surroundings or visiting friends. A conservative estimate of 0.50% for each scenario would result in the general benefit portion of the improved aesthetic benefits resulting from the maintenance of the street parkway trees on local streets to be 1.00% and the special benefit is estimated to be 99.00%.

Street Parkway Trees General Benefit	1.00%
---	--------------

5.6 Collective General Benefit

Since the District is comprised of improved aesthetic benefits resulting from a blend of improvements (masonry walls, landscaping, and street parkway trees), the activity of both pedestrians and vehicles must be addressed in a collective form rather than independently. Therefore, the arithmetic mean of the general benefit percentages has been used to quantify the overall level of general benefit for the District. This general benefit result is provided in the table below:

Masonry Walls General Benefit	1.32%
Landscaping General Benefit	3.36%
Street Parkway Trees General Benefit	1.00%

District General Benefit	1.89%
---------------------------------	--------------

The general benefit, which is the percentage of the total annual maintenance costs that must be funded through sources other than assessments, is 1.89%. The special benefit, which is the percentage of the total annual maintenance costs that may be funded by assessments, is 98.11%.

6. ASSESSMENT METHODOLOGY

Section 22573 of the Landscape and Lighting Act of 1972 requires that maintenance assessments must be levied according to benefit. This Section states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefit to be received by each such lot or parcel from the improvements."

The 1972 Act also permits the designation of zones of benefit within any individual assessment district if "by reasons or variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec 22574).

The Method of Assessment uses the following components to assign special benefit to each parcel:

- **Benefit Points:** Assignment of points for aesthetic special benefits.
- **Benefit Factor:** Multiplier. This is the number of DUE assigned per parcel.
- **Benefit Units:** Sum of a parcel's benefit points multiplied by the parcel's benefit factor. The total amount is the special benefit units assigned to a parcel.

The total costs of maintenance and operation, less the amount of general benefits identified, will be assessed to the parcels within the District based on the benefit units assigned to each parcel.

6.1 Benefit Points

The following table shows the Aesthetic Benefit Points to be assigned per DUE for each Zone, based upon the benefits conferred by the maintenance of various Landscape, Masonry Wall, and Street Tree improvements within the District (one point for each of the improvement types):

	Landscape Aesthetic Benefit Points		Masonry Wall Aesthetic Benefit Points		Street Parkway Trees Aesthetic Benefit Points		Aesthetic Benefit Points per DUE
Zone 1	1	+	1	+	1	=	3
Zone 2	1	+	1	+	1	=	3
Zone 3	0	+	0	+	1	=	1
Zone 4	0	+	0	+	1	=	1
Zone 5	1	+	1	+	1	=	3
Zone 6	1	+	1	+	1	=	3
Zone 8	1	+	1	+	1	=	3
Zone 9	0	+	0	+	1	=	1
Zone 11	1	+	1	+	1	=	3
Zone 13	1	+	0	+	0	=	1
Zone 14	1	+	0	+	1	=	2
Zone 15	1	+	0	+	0	=	1
Zone 16	1	+	0	+	0	=	1

6.2 Benefit Factor

The basis of determining a parcel's benefit factor is a weighting formula commonly known as a Dwelling Unit Equivalent (DUE). The developed single-family residential parcel is used as the base-unit for the calculation of the benefit factor and is defined as 1.00 DUE. All other property types are assigned a DUE that reflects their proportional special benefit as compared to the single-family residential parcel.

The following table illustrates how DUEs are assigned to various types of property throughout the District:

PROPERTY TYPE	BENEFIT FACTOR
Single Family Residential	1.000 per Property
Multi-Family Residential (Duplex)	2.000 per Property
Multi-Family Residential (3 or more units)	5.000 per Acre
Commercial or Office	
For the First 7.5 Acres	5.000 per Acre
For the Next 7.5 Acres	2.500 per Acre
For All Acreage Over 15.0 Acres	1.250 per Acre
Industrial	4.000 per Acre

6.3 Benefit Units

The following table shows the resulting total Aesthetic Benefit Units within each Zone:

	Aesthetic Benefit Points per DUE		Benefit Factor (DUE)	=	Total Aesthetic Benefit Units
Zone 1	3	x	74.000	=	222.000
Zone 2	3	x	133.000	=	399.000
Zone 3	1	x	39.000	=	39.000
Zone 4	1	x	34.000	=	34.000
Zone 5	3	x	223.000	=	669.000
Zone 6	3	x	80.000	=	240.000
Zone 8	3	x	17.000	=	51.000
Zone 9	1	x	11.000	=	11.000
Zone 11	3	x	8.000	=	24.000
Zone 13	1	x	93.104	=	93.104
Zone 14	2	x	17.000	=	34.000
Zone 15	1	x	36.268	=	36.268
Zone 16	1	x	8.3600	=	8.360
TOTAL DISTRICT-WIDE AESTHETIC BENEFIT UNITS					1,860.732

6.4 Assessment Rate per Benefit Unit

The assessment rate for per Benefit Unit is then calculated as follows:

Total Assessable Annual Costs ¹	/	Total District Wide Aesthetic Benefit Units	=	Assessment Rate per Aesthetic Benefit Unit
--	---	---	---	--

¹ Assessable Annual Costs are maintenance costs minus the amount determined to relate to general benefit that are not assessable.

Since the assessment rate has traditionally been presented as an Assessment Rate per DUE, it is important to convert these Assessment Rates per Benefit Unit into the simpler Assessment Rate per DUE, for comparative purposes. For any parcel within the District, that calculation is as follows:

Assessment Rate per Aesthetic Benefit Unit	x	Benefit Points Assigned to Parcel	=	Assessment Rate per DUE
--	---	-----------------------------------	---	-------------------------

Assessment Rates per DUE for each Zone—based on the FY 2015/16 budget for the District—can be found in Section 7 of this report.

6.5 Adjustments to Maximum Assessments

Any new or increased assessment requires certain noticing and meeting requirements by law. Prior to the passage of Proposition 218, legislative changes in the Article XIID of the Constitution of the State of California defined the definition of “new or increased assessment” to exclude certain conditions. These conditions included “any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed.” This definition and conditions were later confirmed through SB919 (Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustments to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. At each Zone’s formation, balloting of property owners was required, pursuant to Proposition 218. The property owner ballots included an assessment to be approved, as well as the approval of an assessment range formula. Property owners within the District approved the proposed assessment and the assessment range formula.

The assessment range formula shall be applied to all future assessments within the District. Generally, if the proposed annual assessment for the current fiscal year is less than or equal to the maximum assessment (or adjusted maximum assessment), then the proposed annual assessment is not considered an increased assessment. The maximum assessment is equal to the initial Assessment approved by property owners adjusted annually by the following criteria:

1. Beginning in the second fiscal year, and each fiscal year thereafter, the maximum assessment will be recalculated annually.

2. The new adjusted maximum assessment for the year represents the prior year's maximum assessment adjusted by the greater of:
 - (a) 5%, or
 - (b) The annual increase in the CPI.

Each year the annual increase in the CPI shall be computed. For Fiscal Year 2015/16, the increase in CPI is the percentage difference between the CPI of December 2014 and the CPI for the previous December, as provided and established by the Bureau of Labor Statistics (FY 2015/16 CPI increase is 2.67%). This percentage difference shall then establish the allowed increase based on CPI. The index used shall be all urban consumers for the San Francisco-Oakland-San Jose area. Should the Bureau of Labor Statistics revise such index or discontinue the preparation of such index, the City shall use the revised index or comparable system as approved by the Council for determining fluctuations in the cost of living.

If CPI is less than 5%, then the allowable adjustment to the maximum assessment is 5%. If CPI is greater than 5%, then the allowable adjustment to the maximum assessment is based on CPI. The maximum assessment is adjusted annually and is calculated independent of the District's annual budget and proposed annual assessment. Any proposed annual assessment (rate per DUE) less than or equal to this maximum assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year.

The following table illustrates how the assessment range formula shall be applied:

Example	CPI % Increase	5.00% Increase	Max % Increase Without Re-Balloting	Prior Year Max Rate Per DUE	Increase Per DUE	New Max Rate Per DUE
1	5.25%	5.00%	5.25%	\$403.00	\$21.16	\$424.16
2	3.44%	5.00%	5.00%	\$403.00	\$20.15	\$423.15

For example, if the percentage change in CPI is greater than 5%, as in Example 1, then the percentage adjustment to the maximum assessment will be by CPI. If the percentage change in CPI is less than 5%, as in Example 2, then the percentage adjustment to the maximum assessment will be 5%.

As previously illustrated, the maximum assessment will be recalculated and adjusted annually. However, the Council may reduce or freeze the maximum assessment at any time by amending the annual engineer's report.

Although the maximum assessment will normally increase each year, the actual assessments may remain virtually unchanged. The maximum assessment adjustment is designed to establish a reasonable limit on assessments. The maximum assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjustment maximum amount. If the budget and assessments for the fiscal year do not require an increase, or the increase is less than the adjusted maximum assessment, then the required budget and assessment may be applied without additional property owner balloting. If the budget and assessments calculated requires an increase greater than the adjusted maximum assessment then the assessment is considered an increased assessment. In order to impose an increased assessment, the Council must comply with the provisions of Proposition 218 (Article XIID Section 4c of the California Constitution). Proposition 218 requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners, through the balloting process, must approve the proposed assessment increase. If the proposed assessment is approved, then a new maximum assessment is established. If the proposed assessment is not approved, the Council may not levy an assessment greater than the adjusted maximum assessment previously established.

7. ESTIMATE OF COSTS

7.1 Budget for Fiscal Year 2015/16

NBS has reviewed the budget and discussed with City staff the improvements and maintenance services provided by the assessment revenue. The costs for Fiscal Year 2015/16 are summarized in the following table:

Description	Amount
Annual Maintenance:	
1. Landscape	
Maintenance	\$38,208.00
Contingency	3,820.80
Reserve	0.00
<i>Total Landscape</i>	<i>\$42,028.80</i>
2. Street Parkway Trees	
Maintenance	\$1,266.00
Contingency	126.60
<i>Total Street Parkway Trees</i>	<i>\$1,392.60</i>
3. Masonry Walls	
Repair/Maintenance/Graffiti Removal	\$1,000.00
Contingency	100.00
<i>Total Masonry Walls</i>	<i>\$1,100.00</i>
Total Annual Maintenance:	\$44,521.40
General Benefit Contribution ¹:	(\$841.45)
Total Assessable Maintenance:	\$43,679.95
Incidentals:	
A. Consultant Fees	\$12,488.15
B. City Administrative Fees	2,184.00
C. Publication	1,500.00
D. County Collection Fees	338.39
Total Incidentals:	\$16,510.54
Total Assessable Maintenance & Incidentals:	\$60,190.49
Surplus from Previous Fiscal Year:	(\$26,027.51)
BALANCE TO ASSESSMENT:	\$34,162.98

¹ Information about the General Benefit component can be located in Section 5 of this report.

7.2 Assessment Rates per DUE

Based upon the FY 2015/16 Budget from the previous subsection, and the Method of Assessment for the District, the following table shows the revised FY 2015/16 Maximum Assessment Rate per DUE for each Zone, the FY 2015/16 Actual Assessment Rate per DUE for each Zone, the number of DUE within each Zone, and the Total Annual Assessment for each Zone:

	FY 2015/16 Maximum Assessment/DUE	FY 2015/16 Actual Assessment Rate/DUE	DUE	Total FY 2015/16 Annual Assessment
Zone 1	\$499.74	\$55.08	74.000	\$4,075.92
Zone 2	361.81	55.08	133.000	7,325.64
Zone 3	380.40	18.36	39.000	716.04
Zone 4	434.02	18.36	34.000	624.24
Zone 5	213.95	55.08	223.000	12,282.84
Zone 6	649.93	55.08	80.000	4,406.40
Zone 8	458.84	55.08	17.000	936.36
Zone 9	120.02	18.36	11.000	201.96
Zone 11	145.24	55.08	8.000	440.64
Zone 13	128.68	18.36	93.104	1,709.39
Zone 14	269.20	36.72	17.000	624.24
Zone 15	128.48	18.36	36.268	665.88
Zone 16	52.37	18.36	8.360	153.49
ROUNDING ADJUSTMENT				(\$0.06)
TOTAL ANNUAL ASSESSMENT				\$34,162.98

8. ASSESSMENT DIAGRAMS

Assessment Diagrams have been submitted to the City Clerk in the format required under the provisions of the Act and are made part of this report.

When embossed, and printed in purple ink, this is a true copy of records of San Joaquin County.
 OCT 16 2003
 GARY W. FREEMAN Assessor-Recorder-Co. Clerk
 By *Christina Monero* Deputy

SCALE 1" = 100'

ASSESSMENT DIAGRAM, ZONE 1
 ALMONDWOOD ESTATES
 CITY OF LODI CONSOLIDATED LANDSCAPE
 MAINTENANCE ASSESSMENT DISTRICT
 NO. 2003-1 CITY OF LODI,
 SAN JOAQUIN COUNTY
 STATE OF CALIFORNIA

BEING THE NORTH EAST PORTION OF SECTION 13
 T.3 N., R. 5 E., M. D. B. & M.,
 CITY OF LODI,
 SAN JOAQUIN COUNTY, CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 26th
 DAY OF August 2003.

Sam J. Blunt
 CITY CLERK OF THE CITY OF LODI



RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS 16th
 DAY OF August 2003.

Christina Monero
 SUPERINTENDENT OF STREETS
 OF THE CITY OF LODI

FILED THIS 16th DAY OF October 2003 AT THE HOUR
 OF 10:00 O'CLOCK A.M. IN BOOK 5 PAGE 1 OF
 MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
 THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman by Christina Monero
 ASSESSOR-RECORDER-COUNTY CLERK
 OF SAN JOAQUIN COUNTY, CALIFORNIA

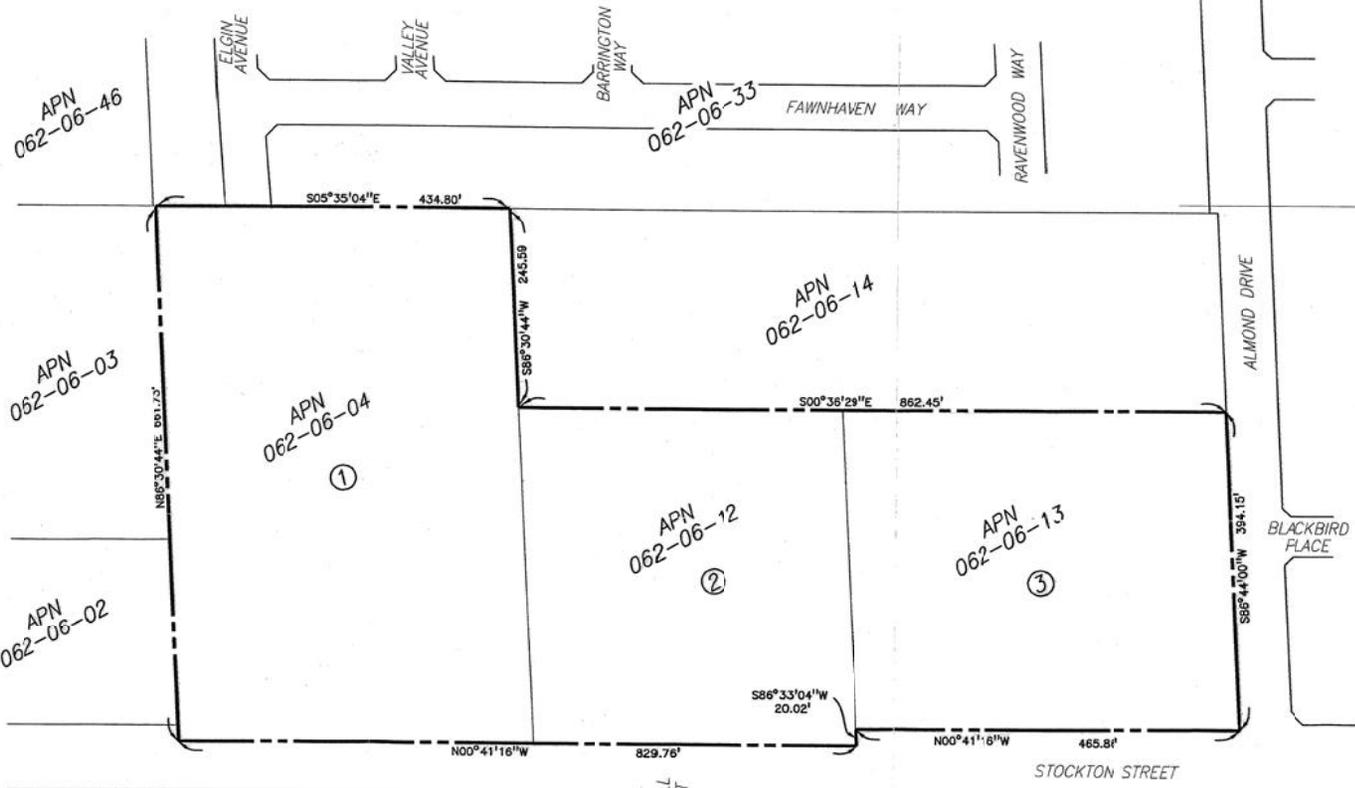
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF LODI,
 COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, ON THE PIECES AND PARCELS
 OF LAND SHOWN ON THE ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED
 ON THE 15th DAY OF September 2003. THE ASSESSMENT DIAGRAM AND THE
 ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT
 OF STREETS OF THE CITY OF LODI ON THE 16th DAY OF August 2003.
 REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE
 SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT
 LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

Sam J. Blunt
 CITY CLERK OF THE CITY OF LODI



SHEET 1 OF 1

THOMPSON-HYSELL ENGINEERS
 A DIVISION OF THE KEITH COMPANY, INC.
 1018 12TH STREET, SACRAMENTO, CA 95834 (209) 521-8988



LEGEND:

- ASSESSMENT DISTRICT BOUNDARY LINE
- ① ASSESSMENT DISTRICT PARCEL NUMBER

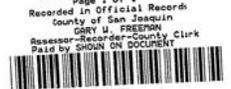
ASSESSMENT DIAGRAM INDEX

BOOK	PAGE	PARCELS
062	060	4, 12, 13

NOTES:

1. ASSESSMENTS APPLY ONLY TO LAND LOCATED WITHIN THE CITY OF LODI AND WITHIN THE DESIGNATED ASSESSOR'S PARCELS.
2. THIS MAP WAS COMPILED FROM THE RECORD INFORMATION AND IS NOT THE RESULT OF A FIELD SURVEY.
3. THIS ASSESSMENT DISTRICT CONTAINS 13.46 ACRES.

DOC # 2003-239328
 10/15/2003 10:28A Fee:7.00
 Page 1 of 1



NOTES:

1. ASSESSMENTS APPLY ONLY TO LAND LOCATED WITHIN THE CITY OF LODI AND WITHIN THE DESIGNATED ASSESSOR'S PARCELS.
2. THIS MAP WAS COMPILED FROM THE RECORD INFORMATION AND IS NOT THE RESULT OF A FIELD SURVEY.
3. THIS ASSESSMENT DISTRICT CONTAINS 31.64 ACRES.

LEGEND:

- ASSESSMENT DISTRICT BOUNDARY LINE
- ① ASSESSMENT DISTRICT PARCEL NUMBER

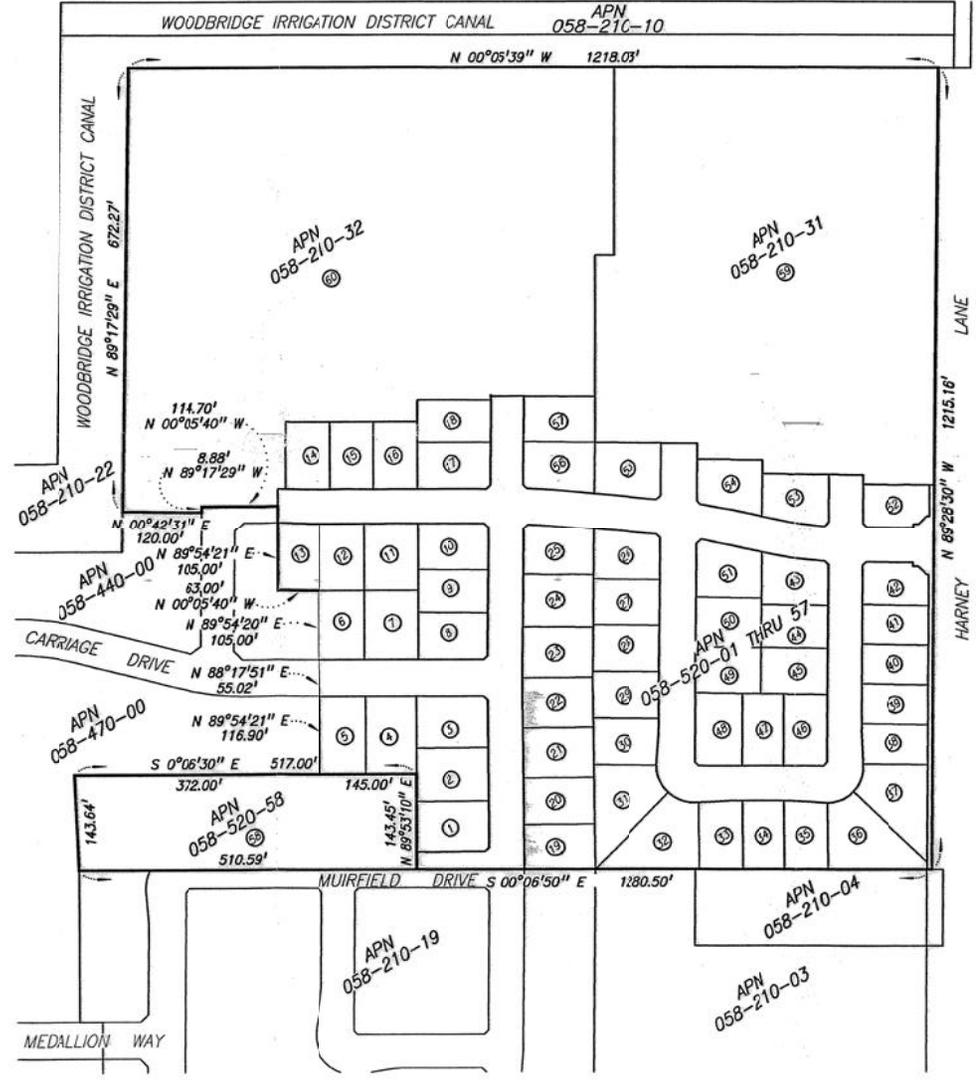
ASSESSMENT DIAGRAM INDEX

BOOK	PAGE	PARCELS
058	210	31, 32
058	520	1-58

When embossed, and printed in purple ink, this is certified to a true copy of records of San Joaquin County.
 GARY W. FREEMAN Assessor-Recorder-County Clerk
 By *Christina Moreno* Deputy
 JAN 22 2004
 N.T.S.

**ASSESSMENT DIAGRAM
 CENTURY MEADOWS ONE, ZONE 2
 CITY OF LODI CONSOLIDATED LANDSCAPE
 MAINTENANCE ASSESSMENT DISTRICT
 NO. 2003-1 CITY OF LODI,
 SAN JOAQUIN COUNTY
 STATE OF CALIFORNIA**

BEING A PORTION OF THE SOUTHWEST
 QUARTER OF SECTION 14, T.3N., R.6E., M.D.B.&M.,
 CITY OF LODI,
 SAN JOAQUIN COUNTY, CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 21st
 DAY OF JANUARY 2004.

Susan J. Blacht
 CITY CLERK OF THE CITY OF LODI

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS 21st
 DAY OF JANUARY 2004.

Richard C. Vinton
 SUPERINTENDENT OF STREETS
 OF THE CITY OF LODI

FILED THIS 22 DAY OF JANUARY 2004 AT THE HOUR
 OF 3:00 O'CLOCK P.M. IN BOOK 2 PAGE 12 OF
 MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
 THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman by Christina Moreno
 ASSESSOR-RECORDER-COUNTY CLERK
 OF SAN JOAQUIN COUNTY, CALIFORNIA



AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF LODI,
 COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, ON THE PIECES AND PARCELS
 OF LAND SHOWN ON THE ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED
 ON THE 21 DAY OF JANUARY, 2004. THE ASSESSMENT DIAGRAM AND THE
 ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT
 OF STREETS OF THE CITY ON THE 21 DAY OF JANUARY, 2004.
 REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE
 SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT
 LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

DOC # 2004-013613
 01/22/2004 03:28P Fee:7.00
 Page 1 of 1
 Recorded in Official Records
 County of San Joaquin
 GARY W. FREEMAN
 Assessor-Recorder-County Clerk
 Paid by SIGNER ON DOCUMENT



Susan J. Blacht
 CITY CLERK OF THE CITY OF LODI

**THOMPSON-HYSELL
 ENGINEERS**
 A DIVISION OF THE KISTEN COMPANIES, INC.
 1018 12TH STREET, MODESTO, CA 95354 (209) 521-8588

CITY CLERK
CITY OF LODI

When embossed, and printed in purple ink, this is certified to be a true copy of records of San Joaquin County. DEC - 3 2003
GARY W. FREEMAN Assessor-Recorder-Co. Clerk
By *Christina Moreno* Deputy



**PROPOSED AMENDED BOUNDARIES
(CENTURY MEADOWS ONE, ZONE 2 ANNEXATION)
CITY OF LODI CONSOLIDATED LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT
NO. 2003-1 CITY OF LODI,
SAN JOAQUIN COUNTY
STATE OF CALIFORNIA**

BEING A PORTION OF THE SOUTHWEST
QUARTER OF SECTION 14, T.3N., R.6E., M.D.B.&M.,
CITY OF LODI,
SAN JOAQUIN COUNTY, CALIFORNIA

THOMPSON-HYSELL ENGINEERS
1016 12th STREET MODESTO, CALIFORNIA
NOVEMBER, 2004

DOC # 2003-281218
12/09/2003 09:47A Fee:7.00
Page 1 of 1
Recorded in Official Records
County of San Joaquin
GARY W. FREEMAN
Assessor-Recorder-County Clerk
Paid by STH on document



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 3 DAY
OF December 2004.

Susan V. Blodgett
CITY CLERK OF THE CITY OF LODI

RECORDED THIS 9 DAY OF December 2004 AT THE HOUR
OF 11:00 O'CLOCK A.M. IN BOOK 9 PAGE 9
OF MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman by *Christina Moreno*
COUNTY RECORDER
OF SAN JOAQUIN COUNTY, CALIFORNIA

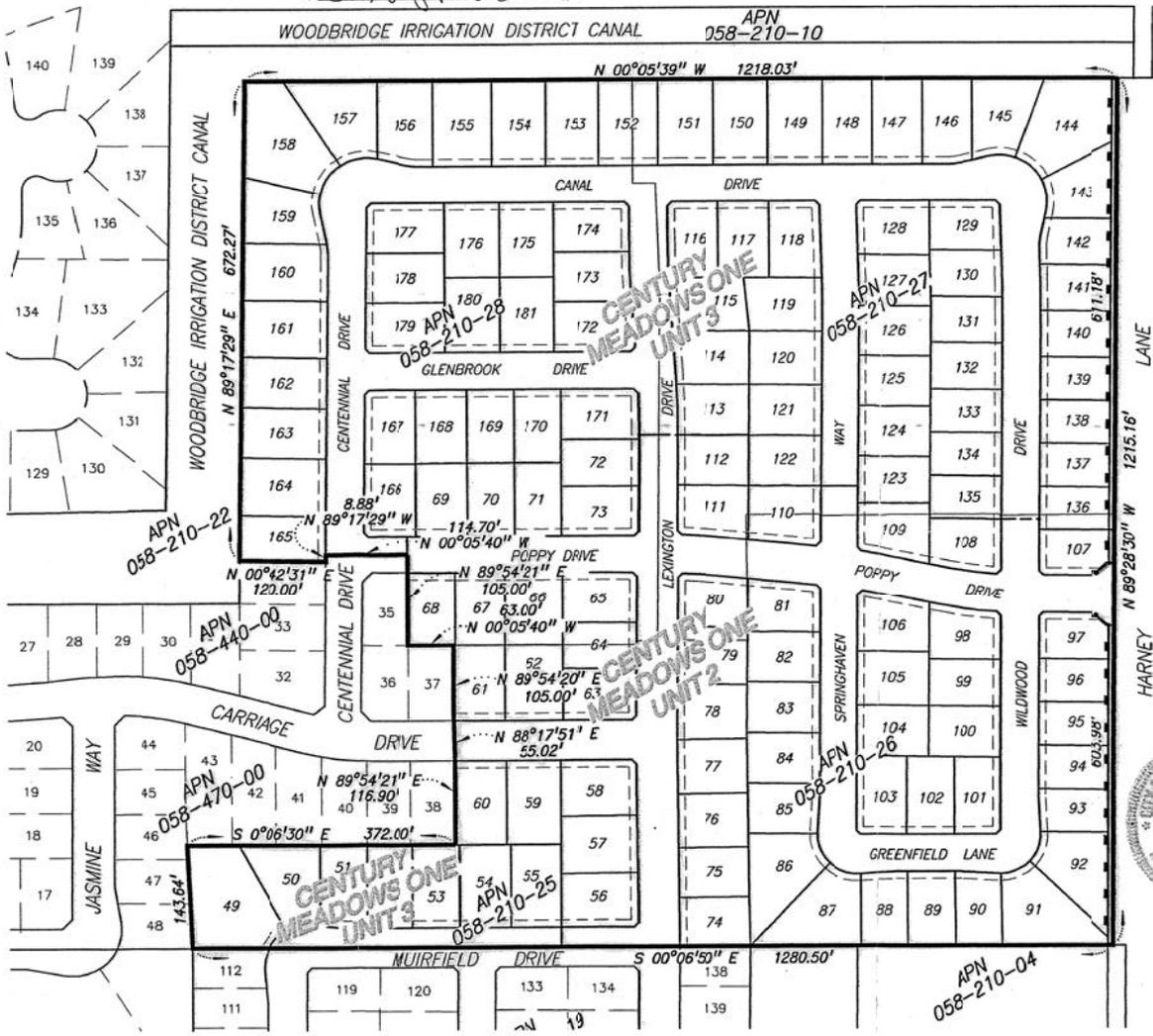
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES
OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO.
2003-1, CITY OF LODI, SAN JOAQUIN COUNTY, CALIFORNIA WAS APPROVED
BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING
THEREOF, HELD ON THE 3 DAY OF December, 2004, BY
ITS RESOLUTION NO. 2003-227.

Susan V. Blodgett
CITY CLERK OF THE CITY OF LODI

THE AMENDED BOUNDARY MAP AMENDS THE BOUNDARY MAP FOR CITY OF LODI
CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1,
CITY OF LODI, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA PRIOR RECORDED
AT BOOK 4 OF MAPS AND ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS
AT PAGE 105, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF
SAN JOAQUIN, STATE OF CALIFORNIA.



LEGEND:
OVERALL DISTRICT BOUNDARY LINE



PROPOSED AMENDED BOUNDARIES
(MILLSBRIDGE II, ZONE 3 ANNEXATION)
CITY OF LODI CONSOLIDATED LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT
NO. 2003-1 CITY OF LODI,
SAN JOAQUIN COUNTY
STATE OF CALIFORNIA

BEING A PORTION OF THE SOUTHWEST
QUARTER OF SECTION 11, T.3N., R.6E., M.D.B.&M.,
CITY OF LODI,
SAN JOAQUIN COUNTY, CALIFORNIA

THOMPSON-HYSELL ENGINEERS

1016 12th STREET MODESTO, CALIFORNIA
MARCH, 2004

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI, THIS 17th DAY
OF 19 2004.

Susan J. Blahut
CITY CLERK OF THE CITY OF LODI



RECORDED THIS 19 DAY OF March 2004 AT THE HOUR
OF 2:00 O'CLOCK P.M. IN BOOK PAGE 10 OF
MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman by Christina Moreno
COUNTY RECORDER
OF SAN JOAQUIN COUNTY, CALIFORNIA

I, HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
BOUNDARIES OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE
ASSESSMENT DISTRICT NO. 2003-1, CITY OF LODI, SAN JOAQUIN
COUNTY, CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE
CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE
DAY OF MARCH 17, 2004, BY ITS RESOLUTION NO. 2004-49

Susan J. Blahut
CITY CLERK OF THE CITY OF LODI

THE AMENDED BOUNDARY MAP AMENDS THE BOUNDARY MAP FOR CITY OF LODI
CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1,
CITY OF LODI, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA PRIOR RECORDED
AT BOOK 4 OF MAPS AND ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS
AT PAGE 105, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF
SAN JOAQUIN, STATE OF CALIFORNIA.

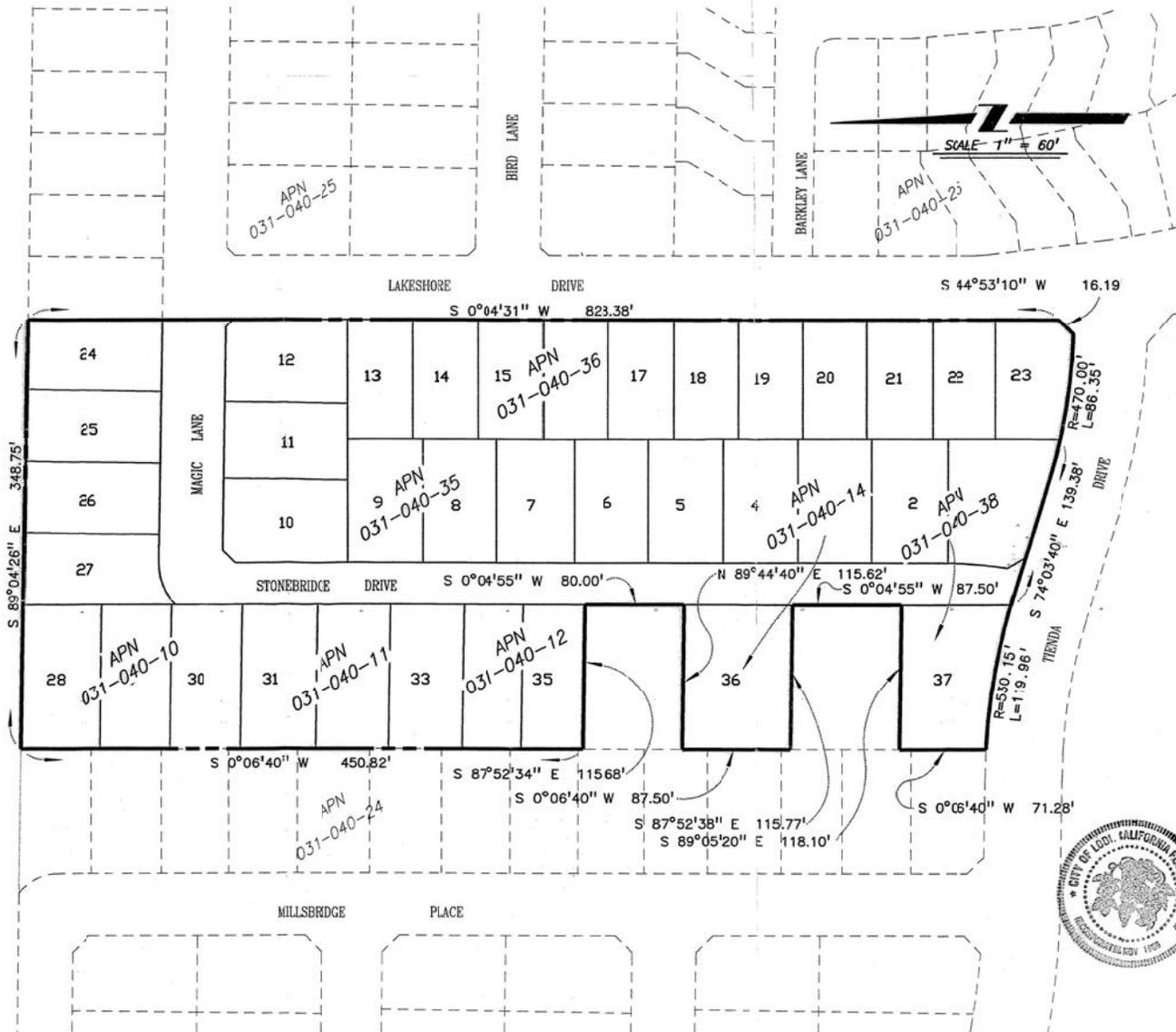
DOC # 2004-056433
03/19/2004 02:28P Fee: 00
Page 1 of 1
Recorded in Official Records
County of San Joaquin
GARY W. FREEMAN
Assessor-Recorder-County Clerk
Filed by SHOUN ON DOCUMENT



LEGEND:

OVERALL DISTRICT BOUNDARY LINE

WOODBRIDGE IRRIGATION DISTRICT CANAL



When embossed, and printed in purple ink, this is certified to
be a true copy of records of San Joaquin County.

PROPOSED AMENDED BOUNDARIES
 (ALMOND NORTH, ZONE 4 ANNEXATION)
 CITY OF LODI CONSOLIDATED LANDSCAPE
 MAINTENANCE ASSESSMENT DISTRICT
 NO. 2003-1 CITY OF LODI,
 SAN JOAQUIN COUNTY
 STATE OF CALIFORNIA

BEING A PORTION OF THE SOUTHWEST
 QUARTER OF SECTION 14, T.3N., R.6E., M.D.B.&M.,
 CITY OF LODI,
 SAN JOAQUIN COUNTY, CALIFORNIA

THOMPSON-HYSELL ENGINEERS
 1016 12th STREET MODESTO, CALIFORNIA
 MARCH, 2004



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI, THIS 17th DAY
 OF MARCH, 2004.

Shawn B. Blight
 CITY CLERK OF THE CITY OF LODI



RECORDED THIS 19 DAY OF MARCH, 2004 AT THE HOUR
 OF 2:20 CLOCK P. M. W. BOOK 5 PAGE 105 OF
 MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
 THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Garry U. Freeman by Christine Moreno
 COUNTY RECORDER
 OF SAN JOAQUIN COUNTY, CALIFORNIA

I, HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
 BOUNDARIES OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE
 ASSESSMENT DISTRICT NO. 2003-1, CITY OF LODI, SAN JOAQUIN
 COUNTY, CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE
 CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE
 DAY OF MARCH, 2004, BY ITS RESOLUTION NO. 2004-49

Shawn B. Blight
 CITY CLERK OF THE CITY OF LODI



THE AMENDED BOUNDARY MAP AMENDS THE BOUNDARY MAP FOR CITY OF LODI
 CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1,
 CITY OF LODI, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA PRIOR RECORDED
 AT BOOK 4 OF MAPS AND ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS
 AT PAGE 105, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF
 SAN JOAQUIN, STATE OF CALIFORNIA.

DCC # 2004-256434
 03/19/2004 02:28P Fee 7.00
 Page 1 of 1
 Recorded in Official Records
 County of San Joaquin
 GARY U. FREEMAN
 Assessor-Recorder-County Clerk
 Paid by SHOWN ON DOCUMENT

LEGEND:

————— OVERALL DISTRICT BOUNDARY LINE



I hereby certify that this is a true copy of the record consisting of 1 pages if the seal of this office is impressed in purple ink.

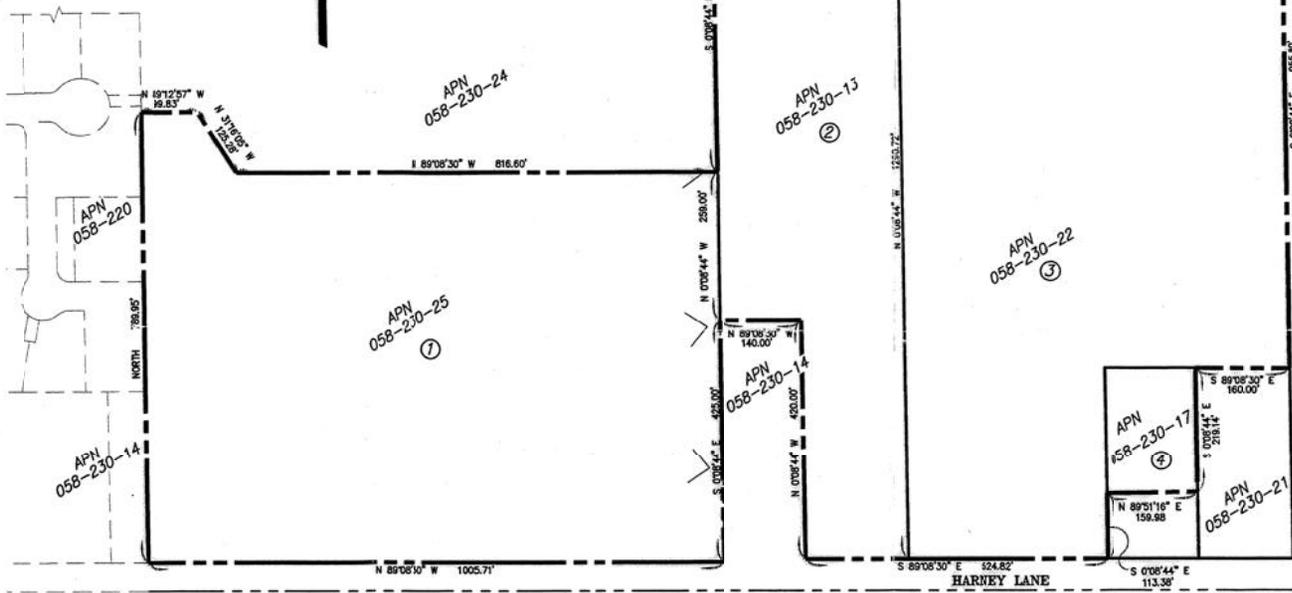
Gary Freeman

GARY FREEMAN
Assessor-Recorder-Co Clerk
San Joaquin County, CA



SEP - 3 2004

NOT TO SCALE



ASSESSMENT DIAGRAM, ZONE 5
LEGACY ESTATES I & II, AND KIRST ESTATES
CITY OF LODI CONSOLIDATED LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT
NO. 2003-1 CITY OF LODI,
SAN JOAQUIN COUNTY
STATE OF CALIFORNIA

BEING THE SOUTHEAST PORTION OF SECTION 15
T.3 N., R. 6 E., M. D. B. & M.,
CITY OF LODI,
SAN JOAQUIN COUNTY, CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 3rd
DAY OF September 2004.

Susan J. Bluchet
CITY CLERK OF THE CITY OF LODI



RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS THIS 2nd
DAY OF September 2004.

Richard Cray
SUPERINTENDENT OF STREETS
OF THE CITY OF LODI

FILED THIS 3rd DAY OF SEPTEMBER 2004 AT THE HOUR
OF 2:30 O'CLOCK P.M. IN BOOK 5, PAGE 37 OF
MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman
ASSESSOR-RECORDER-COUNTY CLERK
OF SAN JOAQUIN COUNTY, CALIFORNIA
Jeanette Davis

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF LODI,
COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA ON THE PIECES AND PARCELS
OF LAND SHOWN ON THE ASSESSMENT DIAGRAM. THE ASSESSMENT WAS LEVIED
ON THE 1st DAY OF September 2004. THE ASSESSMENT DIAGRAM AND THE
ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT
OF STREETS OF THE CITY ON THE 2nd DAY OF September 2004.
REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE
SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT
LEVIED AGAINST EACH PARCEL OF LAND SHOWN OF THIS ASSESSMENT DIAGRAM.

Susan J. Bluchet
CITY CLERK OF THE CITY OF LODI



SHEET 1 OF 1



DOC # 2004-200733

09/03/2004 02:38P Fee:7.00
Page 1 of 1
Recorded in Official Records
County of San Joaquin
GARY W. FREEMAN
Assessor-Recorder-County Clerk
Paid by INDIVIDUAL ON DOCUMENT



NOTES:

1. ASSESSMENTS APPLY ONLY TO LAND LOCATED WITHIN THE CITY OF LODI AND WITHIN THE DESIGNATED ASSESSOR'S PARCELS.
2. THIS MAP WAS COMPILED FROM THE RECORD INFORMATION AND IS NOT THE RESULT OF A FIELD SURVEY.
3. THIS ASSESSMENT DISTRICT CONTAINS 42.10 ACRES.

LEGEND:

- ASSESSMENT DISTRICT BOUNDARY LINE
- ① ASSESSMENT DISTRICT PARCEL NUMBER

ASSESSMENT DIAGRAM INDEX

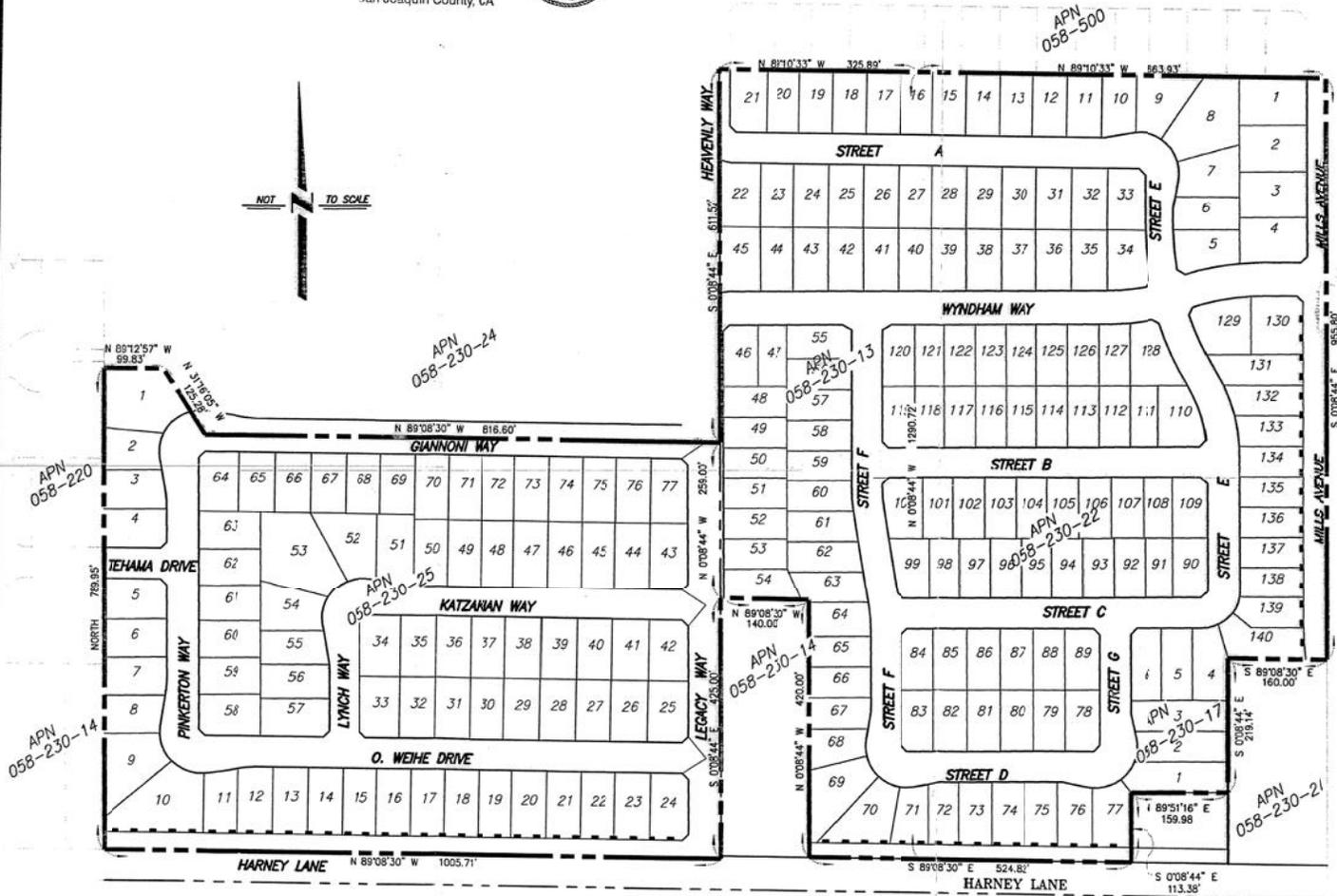
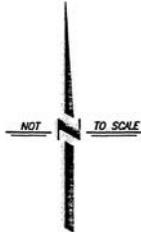
BOOK	PAGE	PARCELS
058	230	13, 17 (PORTION), 22, 25

02/20/2004 09:50:00 AM 10/11/2004 10:50:00 AM 10/11/2004 10:50:00 AM

I hereby certify that this is a true copy of the record consisting of 1 pages if the seal of this office is impressed in purple ink.

Gary W. Freeman
JUL 14 2004

GARY FREEMAN
Assessor-Recorder-Ct Clerk
San Joaquin County, CA



DOC # 2004-155561
07/14/2004 12:01P Fee:7.08
Page 1 of 1
Recorded in Official Records
County of San Joaquin
GARY W. FREEMAN
Assessor-Recorder-Ct Clerk
Paid by INDIVIDUAL OR DOCUMENT



LEGEND:
----- OVERALL DISTRICT BOUNDARY LINE

**PROPOSED AMENDED BOUNDARIES
(LEGACY ESTATES I&II AND KIRST ESTATES,
ZONE 5 ANNEXATION)
CITY OF LODI CONSOLIDATED LANDSCAPE
MAINTENANCE ASSESSMENT DISTRICT
NO. 2003-1 CITY OF LODI,
SAN JOAQUIN COUNTY,
STATE OF CALIFORNIA**

BEING A PORTION OF THE SOUTHEAST
QUARTER OF SECTION 15, T.3N., R.6E., N.D.B.&M.,
CITY OF LODI,
SAN JOAQUIN COUNTY, CALIFORNIA

THOMPSON-HYSELL ENGINEERS
1016 12th STREET MODESTO, CALIFORNIA
JUNE, 2004

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 7 DAY
OF JULY 2004.

Sharon J. Black
CITY CLERK OF THE CITY OF LODI



RECORDED THIS 14 DAY OF JULY 2004 AT THE HOUR
OF 10:00 O'CLOCK P.M. IN BOOK 5 PAGE 216 OF
MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STAT. OF CALIFORNIA

Gary W. Freeman by Cheryl Monera
COUNTY RECORDER
OF SAN JOAQUIN COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF
LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1,
CITY OF LODI, SAN JOAQUIN COUNTY, CALIFORNIA WAS APPROVED BY THE CITY
COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE
DAY OF July 7, 2004, BY ITS RESOLUTION NO. 2004-136

Sharon J. Black
CITY CLERK OF THE CITY OF LODI

THE AMENDED BOUNDARY MAP AMENDS THE BOUNDARY MAP FOR CITY OF LODI
CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1,
CITY OF LODI, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA PRIOR RECORDED
AT BOOK 4 OF MAPS AND ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS
AT PAGE 105, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF
SAN JOAQUIN, STATE OF CALIFORNIA.

PROPOSED AMENDED BOUNDARIES
 (THE VILLAS, ZONE 6 ANNEXATION)
 CITY OF LODI CONSOLIDATED LANDSCAPE
 MAINTENANCE ASSESSMENT DISTRICT
 NO. 2003-1 CITY OF LODI,
 SAN JOAQUIN COUNTY
 STATE OF CALIFORNIA

BEING A PORTION OF THE SOUTHEAST
 QUARTER OF SECTION 13, T.3N., R.6E., M.D.B.&M.,
 CITY OF LODI,
 SAN JOAQUIN COUNTY, CALIFORNIA

THOMPSON-HYSELL ENGINEERS
 1016 12th STREET MODESTO, CALIFORNIA
 JUNE, 2004

NOT TO SCALE

PROJECT SUMMARY

THE VILLAS 80 Acre±

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 7 DAY
 OF July 2004.

Sum J. Belt
 CITY CLERK OF THE CITY OF LODI



RECORDED THIS 14 DAY OF JULY 2004 AT THE HOUR
 OF 12:00 O'CLOCK P.M. IN BOOK 8 PAGE 21 OF
 MAP OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF
 THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman
 COUNTY RECORDER
 OF SAN JOAQUIN COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
 BOUNDARIES OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE
 ASSESSMENT DISTRICT NO. 2003-1, CITY OF LODI, SAN JOAQUIN
 COUNTY, CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE
 CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE
 DAY OF July 7, 2004, BY ITS RESOLUTION NO. 2004-136

Sum J. Belt
 CITY CLERK OF THE CITY OF LODI

THE AMENDED BOUNDARY MAP AMENDS THE BOUNDARY MAP FOR CITY OF LODI
 CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1,
 CITY OF LODI, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA PREVIOUSLY RECORDED
 AT BOOK 4 OF MAPS AND ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS
 AT PAGE 105, IN THE OFFICE OF THE COUNTY RECORDER FOR THE COUNTY OF
 SAN JOAQUIN, STATE OF CALIFORNIA.

DOC # 2004-155562

07/14/2004 12:01P Fee:7.00
 Page 1 of 1
 Recorder in Official Records
 County of San Joaquin
 Gary W. Freeman
 Assessor-Recorder-County Clerk
 Paid by INDIVIDUAL ON DOCUMENT



LEGEND:

--- OVERALL DISTRICT BOUNDARY LINE

SHEET 1 OF 1



APN
 058-13

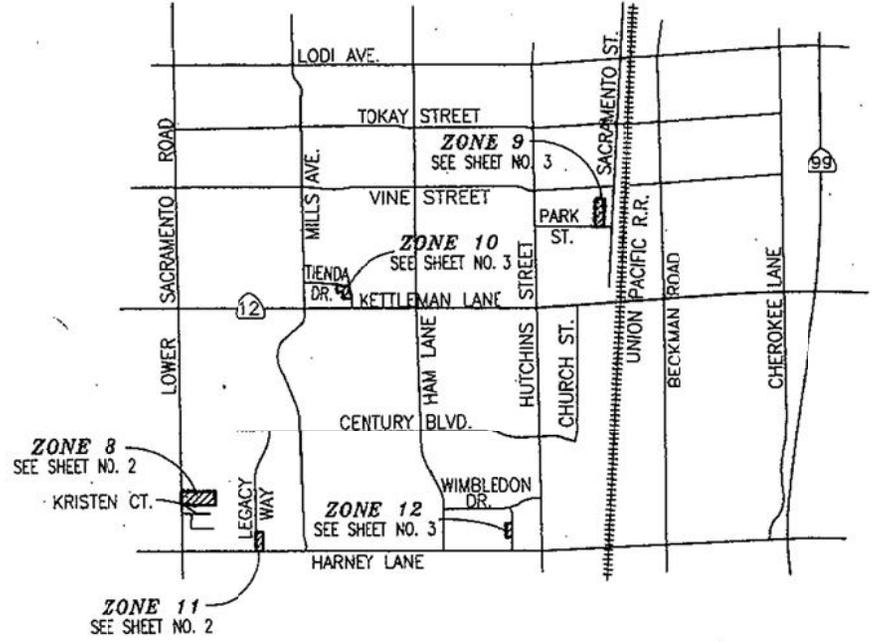
I hereby certify that this is a true copy of
 the record consisting of 1 pages if the
 seal of this office is impressed in purple ink.

Gary W. Freeman
 JUL 14 2004
 GARY FREEMAN
 Assessor-Recorder-Co Clerk
 San Joaquin County CA



507

AMENDED ASSESSMENT DIAGRAM
LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1
ZONES 8-12
CITY OF LODI
SAN JOAQUIN
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 15
 DAY OF November, 2005

Susan J. Blecht
 CITY CLERK
 CITY OF LODI
 SAN JOAQUIN COUNTY, CALIFORNIA



I HEREBY CERTIFY THAT THE WITHIN DIAGRAM SHOWING THE PROPOSED ANNEXATION INTO THE CITY OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1, CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF HELD ON THE 6TH DAY OF OCTOBER, 2005, BY ITS RESOLUTION NO. 2005-216

Susan J. Blecht
 CITY CLERK
 CITY OF LODI
 SAN JOAQUIN COUNTY, CALIFORNIA

THIS AMENDED ASSESSMENT DIAGRAM WAS ORIGINALLY RECORDED ON OCTOBER 6th 2005, IN BOOK 5, PAGE 68 OF MAPS OF ASSESSMENT DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

FILED THIS 29 DAY OF May, 2005 AT THE HOUR OF 10:50 O'CLOCK A.M. IN BOOK 5 AT PAGE 68 OF MAPS OF ASSESSMENT DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

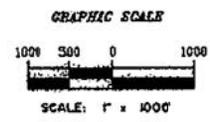
Mona W. Sherman by Patricia Connors
 DEPUTY
 COUNTY RECORDER
 COUNTY OF SAN JOAQUIN

NOTE: FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL WITHIN THE DISTRICT REFER TO THE COUNTY OF SAN JOAQUIN ASSESSOR'S MAPS.

LEGEND

— ANNEXATION BOUNDARY/ BENEFIT ZONE BOUNDARY

DOC # 2005-29277
 11/29/2005 10:58 AM Fee:NC
 Page 1 of 2
 Recorded in Official Records
 County of San Joaquin
 Cary U. Frieson
 Recorder-Recorder County Clerk
 Paid by SJSJM on document

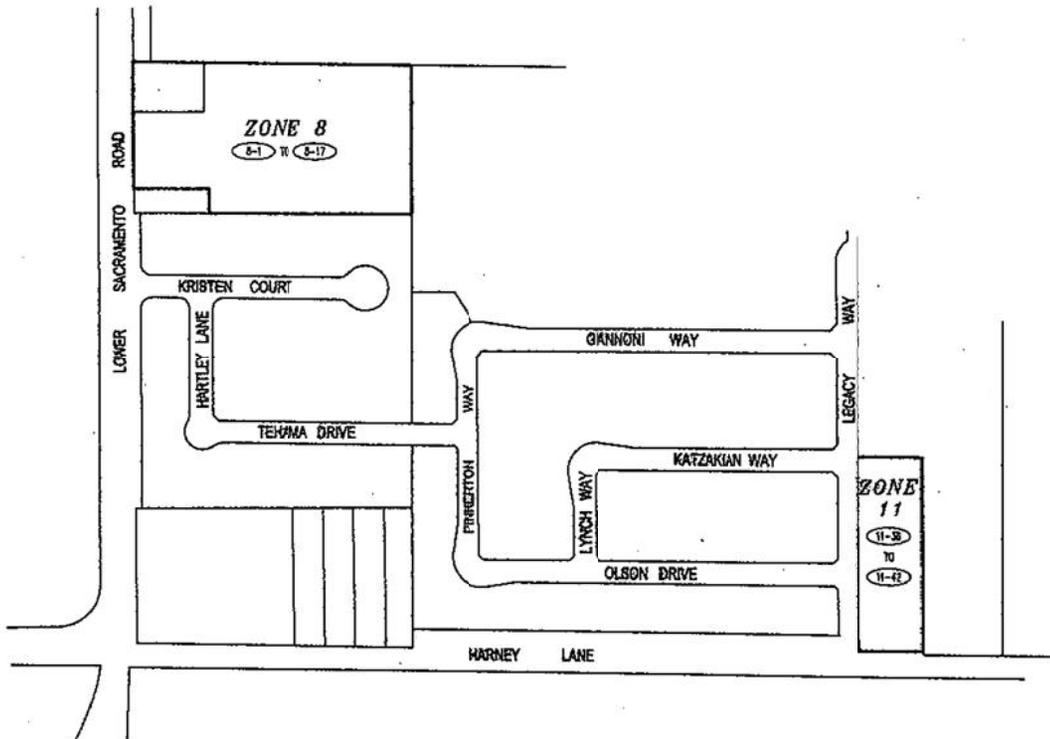


NBS

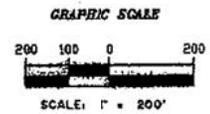
32605 Highway 79 South, Suite 100
 Tereseo, CA 92592
 Local Government Solutions

5-78A

AMENDED ASSESSMENT DIAGRAM
LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1
ZONES 8-12
CITY OF LODI
COUNTY OF SAN JOAQUIN
STATE OF CALIFORNIA



ASSESSMENT ID		
Zone	Assessment Number	APN
8	8-1	POR OF 058-230-03
8	8-2	POR OF 058-230-03
8	8-3	POR OF 058-230-03
8	8-4	POR OF 058-230-03
8	8-5	POR OF 058-230-03
8	8-6	POR OF 058-230-03
8	8-7	POR OF 058-230-03
8	8-8	POR OF 058-230-03
8	8-9	POR OF 058-230-03
8	8-10	POR OF 058-230-03
8	8-11	POR OF 058-230-03
8	8-12	POR OF 058-230-03
8	8-13	POR OF 058-230-03
8	8-14	POR OF 058-230-03
8	8-15	POR OF 058-230-03
8	8-16	POR OF 058-230-03
8	8-17	POR OF 058-230-03
11	11-35	POR OF 058-230-14
11	11-37	POR OF 058-230-14
11	11-38	POR OF 058-230-14
11	11-39	POR OF 058-230-14
11	11-40	POR OF 058-230-14
11	11-41	POR OF 058-230-14
11	11-42	POR OF 058-230-14

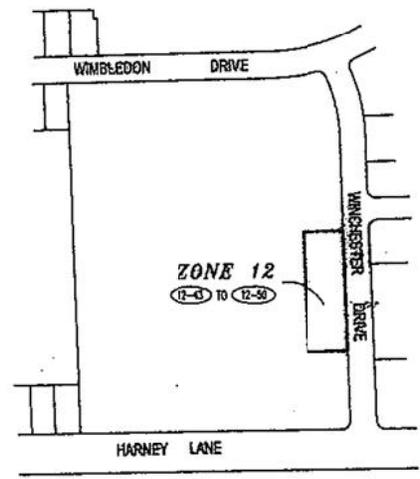
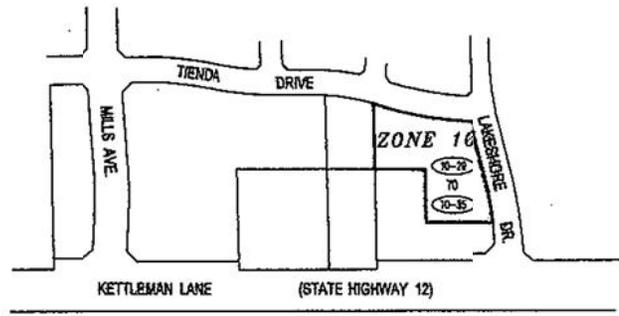


N | B | S
 32605 Highway 79 South, Suite 100
 Yreka, CA 92592
 Local Government Solutions

- LEGEND**
- ASSESSMENT DISTRICT BOUNDARY
 - PARCEL LINES
 - ASSESSMENT NUMBER

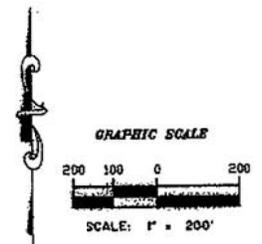
5-78A

AMENDED ASSESSMENT DIAGRAM
LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1
ZONES 8-12
CITY OF LODI
COUNTY OF SAN JOAQUIN
STATE OF CALIFORNIA



ASSESSMENT ID

Zone	Assessment Number	APN
9	9-18	FOR 06 043-250-07
9	9-19	FOR 06 043-250-07
9	9-20	FOR 06 043-250-07
9	9-21	FOR 06 044-250-07
9	9-22	FOR 06 044-250-07
9	9-23	FOR 06 044-250-07
9	9-24	FOR 06 044-250-07
9	9-25	FOR 06 044-250-07
9	9-26	FOR 06 044-250-07
9	9-27	FOR 06 044-250-07
9	9-28	FOR 06 044-250-07
10	10-21	FOR 06 043-250-07
10	10-22	FOR 06 043-250-07
10	10-23	FOR 06 043-250-07
10	10-24	FOR 06 043-250-07
10	10-25	FOR 06 043-250-07
10	10-26	FOR 06 043-250-07
10	10-27	FOR 06 043-250-07
10	10-28	FOR 06 043-250-07
10	10-29	FOR 06 043-250-07
10	10-30	FOR 06 043-250-07
10	10-31	FOR 06 043-250-07
10	10-32	FOR 06 043-250-07
10	10-33	FOR 06 043-250-07
10	10-34	FOR 06 043-250-07
10	10-35	FOR 06 043-250-07
10	10-36	FOR 06 043-250-07
10	10-37	FOR 06 043-250-07
10	10-38	FOR 06 043-250-07
10	10-39	FOR 06 043-250-07
10	10-40	FOR 06 043-250-07
10	10-41	FOR 06 043-250-07
10	10-42	FOR 06 043-250-07
10	10-43	FOR 06 043-250-07
10	10-44	FOR 06 043-250-07
10	10-45	FOR 06 043-250-07
10	10-46	FOR 06 043-250-07
10	10-47	FOR 06 043-250-07
10	10-48	FOR 06 043-250-07
10	10-49	FOR 06 043-250-07
10	10-50	FOR 06 043-250-07
10	10-51	FOR 06 043-250-07
10	10-52	FOR 06 043-250-07
10	10-53	FOR 06 043-250-07
10	10-54	FOR 06 043-250-07
10	10-55	FOR 06 043-250-07
10	10-56	FOR 06 043-250-07
10	10-57	FOR 06 043-250-07
10	10-58	FOR 06 043-250-07
10	10-59	FOR 06 043-250-07
10	10-60	FOR 06 043-250-07
10	10-61	FOR 06 043-250-07
10	10-62	FOR 06 043-250-07
10	10-63	FOR 06 043-250-07
10	10-64	FOR 06 043-250-07
10	10-65	FOR 06 043-250-07
10	10-66	FOR 06 043-250-07
10	10-67	FOR 06 043-250-07
10	10-68	FOR 06 043-250-07
10	10-69	FOR 06 043-250-07
10	10-70	FOR 06 043-250-07
10	10-71	FOR 06 043-250-07
10	10-72	FOR 06 043-250-07
10	10-73	FOR 06 043-250-07
10	10-74	FOR 06 043-250-07
10	10-75	FOR 06 043-250-07
10	10-76	FOR 06 043-250-07
10	10-77	FOR 06 043-250-07
10	10-78	FOR 06 043-250-07
10	10-79	FOR 06 043-250-07
10	10-80	FOR 06 043-250-07
10	10-81	FOR 06 043-250-07
10	10-82	FOR 06 043-250-07
10	10-83	FOR 06 043-250-07
10	10-84	FOR 06 043-250-07
10	10-85	FOR 06 043-250-07
10	10-86	FOR 06 043-250-07
10	10-87	FOR 06 043-250-07
10	10-88	FOR 06 043-250-07
10	10-89	FOR 06 043-250-07
10	10-90	FOR 06 043-250-07
10	10-91	FOR 06 043-250-07
10	10-92	FOR 06 043-250-07
10	10-93	FOR 06 043-250-07
10	10-94	FOR 06 043-250-07
10	10-95	FOR 06 043-250-07
10	10-96	FOR 06 043-250-07
10	10-97	FOR 06 043-250-07
10	10-98	FOR 06 043-250-07
10	10-99	FOR 06 043-250-07
10	10-100	FOR 06 043-250-07



- LEGEND**
- ASSESSMENT DISTRICT BOUNDARY
 - PARCEL LINES
 - ASSESSMENT NUMBER

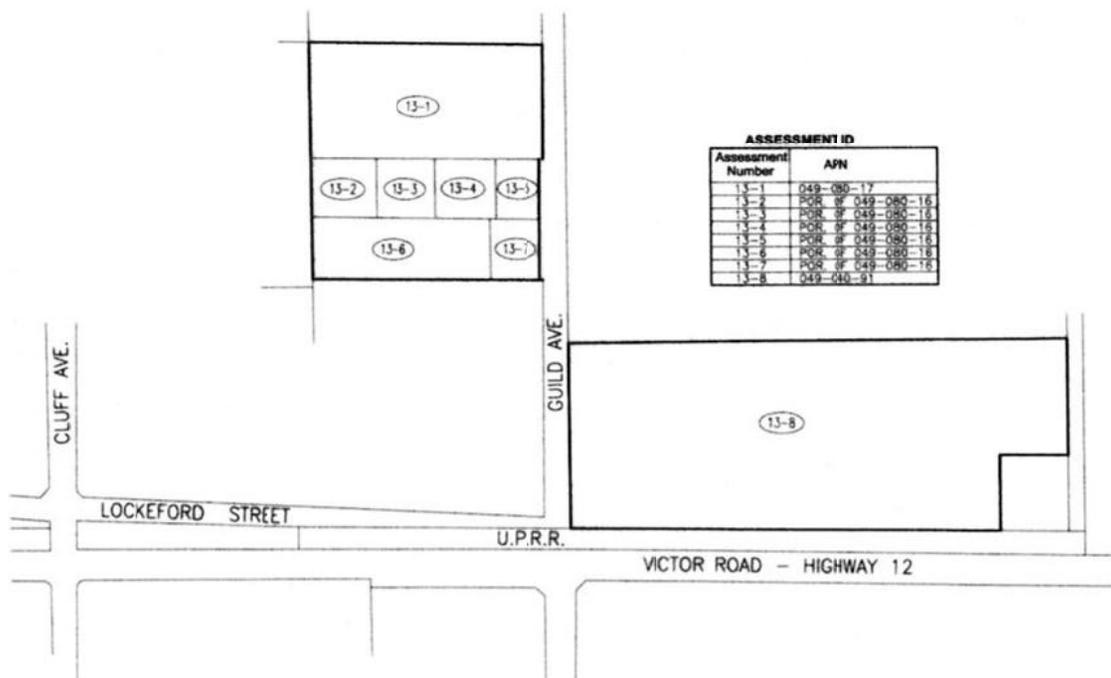
NBS
 32805 Highway 79 South, Suite 100
 Temecula, CA 92592
 Local Government Solutions

5-161

SHEET 1 OF 1

ASSESSMENT DIAGRAM LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1 ZONE 13 - GUILD AVENUE INDUSTRIAL

CITY OF LODI
SAN JOAQUIN
STATE OF CALIFORNIA



Assessment Number	APN
13-1	049-080-17
13-2	POR. of 049-080-18
13-3	POR. of 049-080-18
13-4	POR. of 049-080-18
13-5	POR. of 049-080-18
13-6	POR. of 049-080-18
13-7	POR. of 049-080-18
13-8	049-040-81

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 21st DAY OF February, 2007

Christina Lopez
CITY CLERK
CITY OF LODI
SAN JOAQUIN COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN DIAGRAM SHOWING THE PROPOSED ANNEXATION INTO THE CITY OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1, CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF HELD ON THE 14th DAY OF April, 2007, BY ITS RESOLUTION NO. 8007-03

Christina Lopez
CITY CLERK
CITY OF LODI
SAN JOAQUIN COUNTY, CALIFORNIA

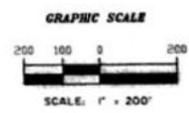
FILED THIS 2 DAY OF MAY, 2007, AT THE HOUR OF 1:41 O'CLOCK P.M. IN BOOK 5 AT PAGE 161 OF MAPS OF ASSESSMENT DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

Gary W. Freeman by Christina Lopez
DEPUTY
COUNTY RECORDER
COUNTY OF SAN JOAQUIN

NOTE: FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL WITHIN THE DISTRICT REFER TO THE COUNTY OF SAN JOAQUIN ASSESSOR'S MAPS.

Doc # 2007-08438
1/2/07 1:41 PM
Page 1 of 1 Fee \$7.00
Gary W. Freeman
San Joaquin County Recorder
Filed By: SHOWN ON DOCUMENT

- LEGEND
- ANNEXATION BOUNDARY
 - PARCEL LINES
 - 13-6 ASSESSMENT NUMBER



NBS

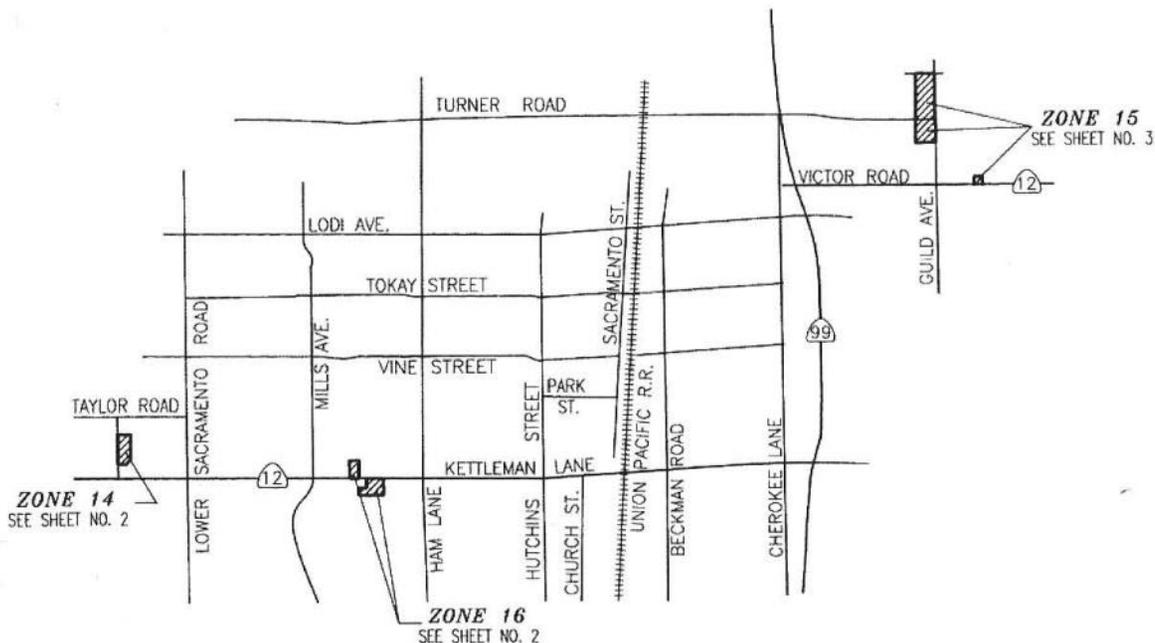
32605 Highway 79 South, Suite 100
Temecula, CA 92592

Local Government Solutions

5-161

ASSESSMENT DIAGRAM LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1 ZONES 14, 15 & 16

CITY OF LODI
SAN JOAQUIN
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LODI THIS 21ST
DAY OF May, 2008.

[Signature]
CITY CLERK
CITY OF LODI
SAN JOAQUIN COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN DIAGRAM SHOWING THE PROPOSED ANNEXATION INTO THE CITY OF LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1, CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF HELD ON THE 21ST DAY OF May, 2008, BY ITS RESOLUTION NO. 4008-23.

[Signature]
CITY CLERK
CITY OF LODI
SAN JOAQUIN COUNTY, CALIFORNIA

FILED THIS 13th DAY OF JUNE, 2008, AT THE HOUR OF 9:37 O'CLOCK A.M., IN BOOK 5 AT PAGE 105 OF MAPS OF ASSESSMENT DISTRICTS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

[Signature]
DEPUTY
COUNTY RECORDER
COUNTY OF SAN JOAQUIN
Jennelle A. Davis

NOTE: FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH PARCEL WITHIN THE DISTRICT REFER TO THE COUNTY OF SAN JOAQUIN ASSESSOR'S MAPS.

LEGEND

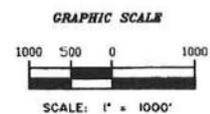
— ANNEXATION BOUNDARY/ BENEFIT ZONE BOUNDARY

NBS

32605 Temecula Parkway, Suite 100
Temecula, CA 92592

Local Government Solutions

Doc #: 2008-997666
Fri Jun 13 08:37:48 PDT 2008 8:37 AM
Page: 1 of 2 Fee: \$14.00
Gery W. Fremont
San Joaquin County Recorder
Paid By: SHOWN ON DOCUMENT

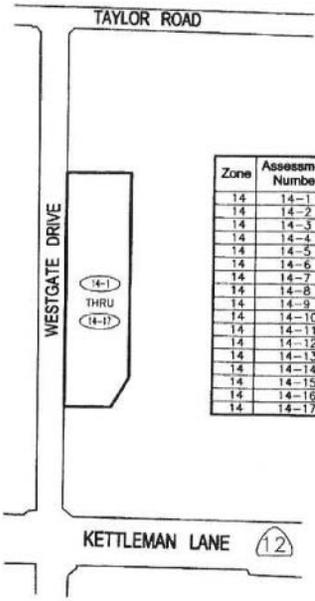


ASSESSMENT DIAGRAM

LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1

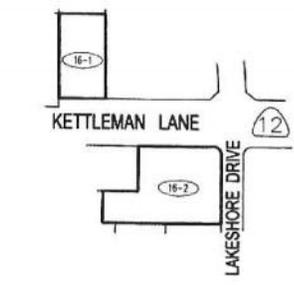
ZONES 14, 15 & 16

CITY OF LODI
 COUNTY OF SAN JOAQUIN
 STATE OF CALIFORNIA



Zone	Assessment Number	APN
14	14-1	027-420-09
14	14-2	027-420-09
14	14-3	027-420-09
14	14-4	027-420-09
14	14-5	027-420-09
14	14-6	027-420-09
14	14-7	027-420-09
14	14-8	027-420-09
14	14-9	027-420-09
14	14-10	027-420-09
14	14-11	027-420-09
14	14-12	027-420-09
14	14-13	027-420-09
14	14-14	027-420-09
14	14-15	027-420-09
14	14-16	027-420-09
14	14-17	027-420-09

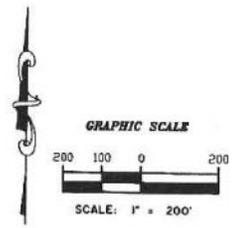
ZONE 14
 LUCA PLACE



ZONE 16
 WEST KETTLEMAN LANE COMMERCIAL

ASSESSMENT ID		
Zone	Assessment Number	APN
16	16-1	031-330-10
16	16-2	058-160-85

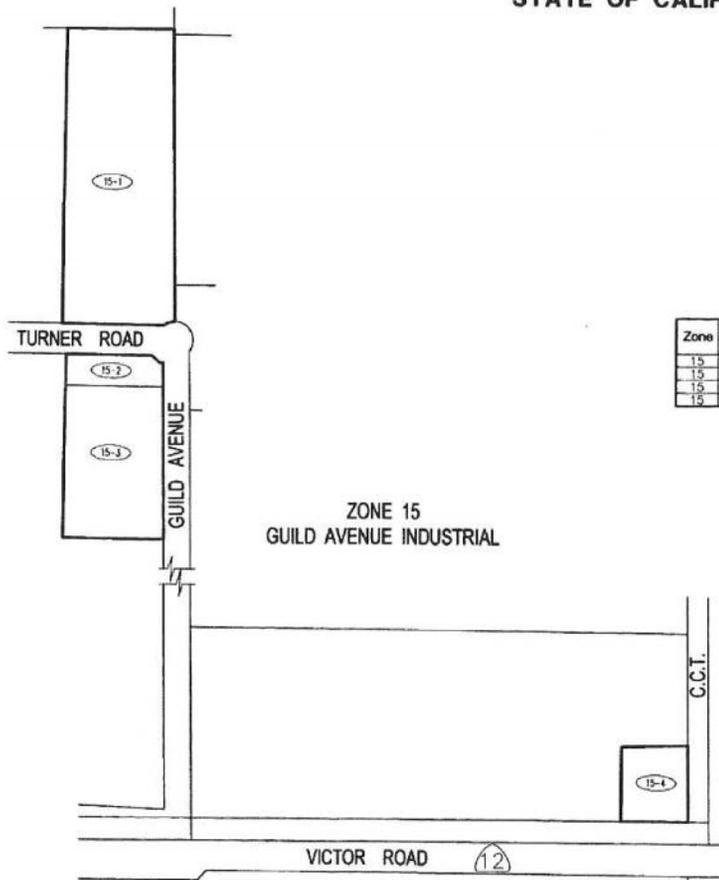
NBS
 32605 Temecula Parkway, Suite 100
 Temecula, CA 92592
 Local Government Solutions



- LEGEND**
- ASSESSMENT DISTRICT BOUNDARY
 - PARCEL LINES
 - ASSESSMENT NUMBER

5-193B

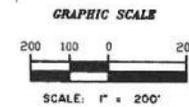
ASSESSMENT DIAGRAM
LODI CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1
ZONES 14, 15 & 16
 CITY OF LODI
 COUNTY OF SAN JOAQUIN
 STATE OF CALIFORNIA



ASSESSMENT ID

Zone	Assessment Number	APN
15	15-1	049-330-04
15	15-2	049-330-10
15	15-3	049-330-11
15	15-4	049-340-38

ZONE 15
 GUILD AVENUE INDUSTRIAL



- LEGEND**
- ASSESSMENT DISTRICT BOUNDARY
 - PARCEL LINES
 - (15-1) ASSESSMENT NUMBER

N | B | S

32805 Temecula Parkway, Suite 100
 Temecula, CA 92592
 Local Government Solutions

5-192A

9. FISCAL YEAR 2015/16 ASSESSMENT ROLL

The assessment roll for each zone is shown on the following pages. The description of each lot or parcel as part of the records of the County Assessor of the County of San Joaquin are, by reference, made part of this Report.

CITY OF LODI
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1
Assessment Roll
Fiscal Year 2015/16

Zone	APN	Property Type	Lot Size	Benefit Points	Benefit Factor (DUE)	Benefit Units	Rate per Benefit Unit	Rate per DUE	Total Assessment	Rounding Adjustment	Applied Assessment
1	062-620-25	Single Family Residential	0.212	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-26	Single Family Residential	0.119	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-27	Single Family Residential	0.134	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-28	Single Family Residential	0.135	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-29	Single Family Residential	0.119	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-30	Single Family Residential	0.212	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-31	Single Family Residential	0.192	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-32	Single Family Residential	0.213	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-33	Single Family Residential	0.119	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
1	062-620-34	Single Family Residential	0.135	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-01	Single Family Residential	0.186	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-02	Single Family Residential	0.196	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-03	Single Family Residential	0.188	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-04	Single Family Residential	0.201	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-05	Single Family Residential	0.187	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-06	Single Family Residential	0.168	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-07	Single Family Residential	0.192	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-08	Single Family Residential	0.168	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-09	Single Family Residential	0.155	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-10	Single Family Residential	0.174	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-11	Single Family Residential	0.191	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-12	Single Family Residential	0.162	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-13	Single Family Residential	0.155	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-14	Single Family Residential	0.164	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-15	Single Family Residential	0.152	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-16	Single Family Residential	0.152	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-17	Single Family Residential	0.174	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-18	Single Family Residential	0.163	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-19	Single Family Residential	0.156	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-20	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-21	Single Family Residential	0.172	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-22	Single Family Residential	0.172	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-23	Single Family Residential	0.174	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-24	Single Family Residential	0.183	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-25	Single Family Residential	0.171	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-26	Single Family Residential	0.166	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-27	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-28	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-29	Single Family Residential	0.159	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-30	Single Family Residential	0.155	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-31	Single Family Residential	0.241	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-32	Single Family Residential	0.250	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-33	Single Family Residential	0.152	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-34	Single Family Residential	0.154	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-35	Single Family Residential	0.152	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-36	Single Family Residential	0.258	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-37	Single Family Residential	0.232	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-38	Single Family Residential	0.137	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-39	Single Family Residential	0.139	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-40	Single Family Residential	0.139	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-41	Single Family Residential	0.139	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-42	Single Family Residential	0.144	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-43	Single Family Residential	0.165	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-44	Single Family Residential	0.149	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-45	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-46	Single Family Residential	0.159	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-47	Single Family Residential	0.161	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-48	Single Family Residential	0.174	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-49	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-50	Single Family Residential	0.172	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-51	Single Family Residential	0.182	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-52	Single Family Residential	0.144	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-53	Single Family Residential	0.167	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
2	058-520-54	Single Family Residential	0.173	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08

CITY OF LODI
CONSOLIDATED LANDSCAPE MAINTENANCE DISTRICT NO. 2003-1
Assessment Roll
Fiscal Year 2015/16

Zone	APN	Property Type	Lot Size	Benefit Points	Benefit Factor (DUE)	Benefit Units	Rate per Benefit Unit	Rate per DUE	Total Assessment	Rounding Adjustment	Applied Assessment
6	062-650-47	Single Family Residential	0.110	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-01	Single Family Residential	0.171	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-02	Single Family Residential	0.187	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-03	Single Family Residential	0.205	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-04	Single Family Residential	0.212	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-05	Single Family Residential	0.212	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-06	Single Family Residential	0.202	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-07	Single Family Residential	0.186	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-08	Single Family Residential	0.211	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-09	Single Family Residential	0.234	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-10	Single Family Residential	0.240	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-11	Single Family Residential	0.241	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-12	Single Family Residential	0.258	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-13	Single Family Residential	0.282	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-14	Single Family Residential	0.193	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-15	Single Family Residential	0.183	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-16	Single Family Residential	0.163	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
8	058-640-17	Single Family Residential	0.164	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
9	045-340-01	Single Family Residential	0.142	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-02	Single Family Residential	0.130	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-03	Single Family Residential	0.129	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-04	Single Family Residential	0.127	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-05	Single Family Residential	0.126	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-06	Single Family Residential	0.125	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-07	Single Family Residential	0.123	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-08	Single Family Residential	0.122	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-09	Single Family Residential	0.120	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-10	Single Family Residential	0.104	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
9	045-340-11	Single Family Residential	0.093	1	1.00	1.000	18.36	18.36	18.36	0.00	18.36
11	058-570-67	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
11	058-570-68	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
11	058-570-69	Multi-Family Residential (Duplex)	0.304	3	2.00	6.000	18.36	55.08	110.16	0.00	110.16
11	058-570-70	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
11	058-570-71	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
11	058-570-72	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
11	058-570-73	Single Family Residential	0.160	3	1.00	3.000	18.36	55.08	55.08	0.00	55.08
13	049-340-12	Industrial	4.690	1	18.76	18.760	18.36	18.36	344.43	(0.01)	344.42
13	049-340-15	Industrial	0.610	1	2.44	2.440	18.36	18.36	44.80	0.00	44.80
13	049-340-16	Industrial	0.569	1	2.28	2.276	18.36	18.36	41.79	(0.01)	41.78
13	049-340-17	Industrial	0.569	1	2.28	2.276	18.36	18.36	41.79	(0.01)	41.78
13	049-340-18	Industrial	0.460	1	1.84	1.840	18.36	18.36	33.78	0.00	33.78
13	049-340-19	Industrial	0.569	1	2.28	2.276	18.36	18.36	41.79	(0.01)	41.78
13	049-340-20	Industrial	1.919	1	7.68	7.676	18.36	18.36	140.93	(0.01)	140.92
13	049-340-36	Industrial	13.890	1	55.56	55.560	18.36	18.36	1,020.08	0.00	1,020.08
14	027-420-09	Single Family Residential	2.180	2	17.00	34.000	18.36	36.72	624.24	0.00	624.24
15	049-330-10	Industrial	0.555	1	2.22	2.220	18.36	18.36	40.76	0.00	40.76
15	049-330-11	Industrial	2.500	1	10.00	10.000	18.36	18.36	183.60	0.00	183.60
15	049-330-23	Industrial	5.180	1	20.72	20.720	18.36	18.36	380.42	0.00	380.42
15	049-340-38	Industrial	0.832	1	3.33	3.328	18.36	18.36	61.10	0.00	61.10
16	031-330-10	Commercial or Office	0.580	1	2.90	2.900	18.36	18.36	53.24	0.00	53.24
16	058-160-86	Commercial or Office	1.092	1	5.46	5.460	18.36	18.36	100.25	(0.01)	100.24
TOTALS:					773.732	1,860.732			\$34,163.04	(\$0.06)	\$34,162.98

RESOLUTION NO. 2015-____

A RESOLUTION OF THE LODI CITY COUNCIL ADOPTING FINAL
ENGINEER'S ANNUAL LEVY REPORT FOR LODI
CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT
DISTRICT NO. 2003-1, FISCAL YEAR 2015/16; AND ORDERING
THE LEVY AND COLLECTION OF ASSESSMENTS

=====

WHEREAS, the City Council has formed a total of 16 zones of the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 (District). The scope of maintenance activities funded by the District includes 1) landscape and irrigation, 2) masonry block walls, and 3) street parkway trees; and

WHEREAS, the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 Annual Report includes a diagram for the District, showing the area and properties proposed to be assessed; an assessment of the estimated costs of the maintenance, operations and servicing for the improvements; and the net levy upon all assessable lots and/or parcels within the District; and

WHEREAS, the total estimated cost of maintenance for FY 2015/16 is \$60,190 and the total amount being assessed for this is \$34,163, with an estimated \$26,027 being applied from previous year collection reserve; and

WHEREAS, the individual zone assessments range from \$18 to \$55 per Dwelling Unit Equivalent (DUE). The assessments per DUE vary because the specific improvements maintained in each zone are different. The average assessment per DUE is \$44.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby adopt the Final Engineer's Annual Levy Report for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2015/16; and order the levy and collection assessments.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER RESOLUTION DECLARING INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR THE LODI CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT NO. 2003-1 FOR FISCAL YEAR 2015/16

PUBLISH DATE: SATURDAY, JUNE 20, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: JENNIFER M. FERRAILOLO, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, JUNE 18, 2015

ORDERED BY: JENNIFER M. FERRAILOLO
CITY CLERK

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Emailed to the Sentinel at dianer@lodinews.com at 7:53 (time) on 6/18/15 (date) _____ (pages)
Phoned to confirm receipt of all pages at 10:18 (time) ES ES PMF (initials)

NOTICE OF PUBLIC HEARING

RESOLUTION NO. 2015-97

A RESOLUTION OF THE LODI CITY COUNCIL
DECLARING ITS INTENTION TO LEVY AND
COLLECT ASSESSMENTS FOR THE LODI
CONSOLIDATED LANDSCAPE MAINTENANCE
ASSESSMENT DISTRICT NO. 2003-1 FOR
FISCAL YEAR 2015/16

=====

WHEREAS, the Council previously completed its proceedings in accordance with and pursuant to the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* ("Act") to establish the *Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1* ("Assessment District"); and

WHEREAS, the City has retained NBS for the purpose of assisting with the annual levy of the Assessment District, and to prepare and file an Annual Report, in accordance with §22567 of the Act.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE LODI CITY COUNCIL AS FOLLOWS:

1. Intention: The City Council hereby declares its intention to levy and collect assessments within the Assessment District to pay the costs of the Improvements for the fiscal year commencing July 1, 2015 and ending June 30, 2016. The Council finds that the public's best interest requires such action.
2. Improvements: The Improvements include, but are not limited to: turf, shrubs, plants and trees, landscaping, irrigation and drainage systems, graffiti removal, and associated appurtenances within the public right-of-ways or specific easements. Services provided include all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition.
3. Assessment District Boundaries: The boundaries of the Assessment District are as shown by the assessment diagram filed in the offices of the City Clerk, which map is made a part hereof by reference.
4. Annual Report: Reference is made to the Annual Report prepared by NBS, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the Assessment District and the zones therein and the proposed assessments upon assessable lots and parcels of land within the Assessment District.
5. Notice of Public Hearing: The Council hereby declares its intention to conduct a Public Hearing concerning the levy of assessments in accordance with §22629 of the Act. All objections to the assessment, if any, will be considered by the Council. The Public Hearing will be held on **Wednesday, July 15, 2015, at 7:00 p.m.** or as soon thereafter as is feasible in the Council Chambers located in

the Carnegie Forum, 305 W. Pine Street, Lodi, CA, 95240. The Council further orders the City Clerk to publish notice of this resolution in accordance with §22626 of the Act.

6. Increase of Assessment: The maximum assessment is not proposed to increase from the previous year above that previously approved by the property owners (as "increased assessment" is defined in §54954.6 of the Government Code).

Dated: June 17, 2015

=====

I hereby certify that Resolution No. 2015-97 was passed and adopted by the City Council of the City of Lodi in a special meeting held June 17, 2015, by the following vote:

AYES: COUNCIL MEMBERS – Chandler, Kuehne, Mounce, Nakanishi,
and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



PAMELA M. FARRIS
Deputy City Clerk



DECLARATION OF POSTING

**PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION DECLARING
INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR THE LODI
CONSOLIDATED LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT
NO. 2003-1 FOR FISCAL YEAR 2015/16**

On Thursday, June 18, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Continued Public Hearing to consider adopting a resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum
WorkNet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 18, 2015, at Lodi, California.

ORDERED BY:

**JENNIFER M. FERRAILO
CITY CLERK**


PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

NOTICE OF PUBLIC HEARING

RESOLUTION NO. 2015-97

A RESOLUTION OF THE LODI CITY COUNCIL
DECLARING ITS INTENTION TO LEVY AND
COLLECT ASSESSMENTS FOR THE LODI
CONSOLIDATED LANDSCAPE MAINTENANCE
ASSESSMENT DISTRICT NO. 2003-1 FOR
FISCAL YEAR 2015/16

=====

WHEREAS, the Council previously completed its proceedings in accordance with and pursuant to the *Landscape and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500)* ("Act") to establish the *Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1* ("Assessment District"); and

WHEREAS, the City has retained NBS for the purpose of assisting with the annual levy of the Assessment District, and to prepare and file an Annual Report, in accordance with §22567 of the Act.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE LODI CITY COUNCIL AS FOLLOWS:

1. Intention: The City Council hereby declares its intention to levy and collect assessments within the Assessment District to pay the costs of the Improvements for the fiscal year commencing July 1, 2015 and ending June 30, 2016. The Council finds that the public's best interest requires such action.
2. Improvements: The Improvements include, but are not limited to: turf, shrubs, plants and trees, landscaping, irrigation and drainage systems, graffiti removal, and associated appurtenances within the public right-of-ways or specific easements. Services provided include all necessary service, operations, administration and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition.
3. Assessment District Boundaries: The boundaries of the Assessment District are as shown by the assessment diagram filed in the offices of the City Clerk, which map is made a part hereof by reference.
4. Annual Report: Reference is made to the Annual Report prepared by NBS, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the Assessment District and the zones therein and the proposed assessments upon assessable lots and parcels of land within the Assessment District.
5. Notice of Public Hearing: The Council hereby declares its intention to conduct a Public Hearing concerning the levy of assessments in accordance with §22629 of the Act. All objections to the assessment, if any, will be considered by the Council. The Public Hearing will be held on **Wednesday, July 15, 2015, at 7:00 p.m.** or as soon thereafter as is feasible in the Council Chambers located in

the Carnegie Forum, 305 W. Pine Street, Lodi, CA, 95240. The Council further orders the City Clerk to publish notice of this resolution in accordance with §22626 of the Act.

6. Increase of Assessment: The maximum assessment is not proposed to increase from the previous year above that previously approved by the property owners (as "increased assessment" is defined in §54954.6 of the Government Code).

Dated: June 17, 2015

=====

I hereby certify that Resolution No. 2015-97 was passed and adopted by the City Council of the City of Lodi in a special meeting held June 17, 2015, by the following vote:

AYES: COUNCIL MEMBERS – Chandler, Kuehne, Mounce, Nakanishi,
and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



PAMELA M. FARRIS
Deputy City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Appointments to the Greater Lodi Area Youth Commission (Student Appointees), Library Board of Trustees, and Lodi Arts Commission; Re-Post for Remaining Vacancy on Lodi Arts Commission; and Post for Vacancy on Recreation Commission

MEETING DATE: July 15, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Concur with the Mayor’s recommended appointments to the Greater Lodi Area Youth Commission (Student Appointees), Library Board of Trustees and Lodi Arts Commission; re-post for the remaining vacancy on Lodi Arts Commission; and post for vacancy on Recreation Commission.

BACKGROUND INFORMATION: On various dates, the City Council directed the City Clerk to post for vacancies on the Greater Lodi Area Youth Commission, Library Board of Trustees, and the Lodi Arts Commission. The Mayor reviewed the applications, conducted interviews, and recommends that the City Council concur with the following appointments. Due to the fact that only three applications were received for the four expiring terms on the Lodi Arts Commission, it is recommended that the remaining vacancy be posted once again to remain open until filled. Further, due to the recent passing of Recreation Commissioner David Akin, it is recommended that the Recreation Commission vacancy be posted, as detailed below. Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

APPOINTMENTS:

Greater Lodi Area Youth Commission (Student Appointees)

Christopher Anaforian	Term to expire May 31, 2017
Karli Baumbach	Term to expire May 31, 2017
Dominic Duran	Term to expire May 31, 2017
Hope Lorentzen	Term to expire May 31, 2017
Sanjay Shukla	Term to expire May 31, 2016
Tasha Shukla	Term to expire May 31, 2016

NOTE: Nine applicants (no applications seeking reappointment, one application on file, eight new applications); posting ordered 4/1/15; application deadline extended to 5/12 due to City Hall inaccessibility during Amgen Tour on 5/11.

Library Board of Trustees

Caitlin Casey	Term to expire June 30, 2018
Frankie Kooger	Term to expire June 30, 2018

NOTE: Three applicants (two applications seeking reappointment, no applications on file, one new application); posting ordered 5/6/15; application deadline 6/15.

APPROVED: _____
Steve Schwabauer, City Manager

Appointments to the Greater Lodi Area Youth Commission (Student Appointees), Library Board of Trustees, Lodi Arts Commission; Re-Post for Remaining Vacancy on Lodi Arts Commission; and Post for Vacancy on Recreation Commission

July 15, 2015

Page Two

Lodi Arts Commission

Ben Burgess Term to expire July 1, 2018

Nancy Ahlberg Mellor Term to expire July 1, 2018

Sandi Walker-Tansley Term to expire July 1, 2018

NOTE: Three applicants (three applications seeking reappointment, no applications on file, no new applications); posting ordered 5/6/15; application deadline 6/15.

POSTINGS:

Lodi Arts Commission

One Vacancy Term to expire July 1, 2018

Recreation Commission

One Vacancy Term to expire December 31, 2016

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Monthly Protocol Account Report
MEETING DATE: July 15, 2015
PREPARED BY: City Clerk

RECOMMENDED ACTION: None required, information only.

BACKGROUND INFORMATION: The City Council, at its meeting of July 19, 2000, adopted Resolution No. 2000-126 approving a policy relating to the City's "Protocol Account." As a part of this policy, it was directed that a monthly itemized report of the "Protocol Account" be provided to the City Council.

Attached please find the cumulative report through June 30, 2015.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: See attached.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

Attachment

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period January 1, 2015 through December 31, 2017 and Appropriating Funds (\$426,611)

MEETING DATE: July 15, 2015

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution approving the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period January 1, 2015 through December 31, 2017 and appropriating funds (\$426,611).

BACKGROUND INFORMATION: Representatives from the City and Police Officers Association of Lodi (POAL) have reached a tentative agreement on a new Memorandum of Understanding (MOU), subject to the approval of Council.

A redline strikeout version of the MOU is attached for Council review and approval. The redline version also reflects language clean-up and edits desired by both the City and POAL. A summary of the key changes to the MOU are as follows:

- The term of the MOU shall be from January 1, 2015 through December 31, 2017.
- Effective January 5, 2015, and following City Council approval, the City agrees to provide a 3 percent Cost of Living Adjustment (COLA), a 2 percent COLA effective the first full pay period in calendar year 2016, and a 2 percent COLA effective the first full pay period in calendar year 2017.
- Master Officer Incentive pay of 3 percent.
- Increase Explosive Ordinance Detail (EOD) Incentive pay from 2 percent to 4.5 percent.
- Increase the Canine Incentive pay from \$101.50 per pay period to \$152.25 per pay period.
- Change the Motors Incentive pay from 1.2 hours of overtime per week to 4.5 percent.
- Officers assigned as School Resource Officers (SRO) will receive Holiday bank of 135 hours consistent with all other Officers.

Lodi's employees agreed to voluntary decreases in total compensation in every year from 2009 through 2012. When the 2012 MOUs expired, Lodi's safety employees agreed to a permanent reduction in total compensation of nine percent. These voluntary employee reductions allowed the City to survive the Great Recession, stabilize its weak reserve and perform needed capital improvements. During this same period, the cost of living has increased by 11.8 percent (San Francisco-Oakland-San Jose CPI-U).

Most City employees have not seen an increase in base pay since 2007 or 2008 depending upon bargaining unit. The City is now in a position to grant a small increase in base pay as a result of increased revenues and prudent expense management. The base pay increases are structured in such a fashion that they are sustainable over the term of the agreement from current reserves in excess of the

APPROVED: _____
Stephen Schwabauer, City Manager

Council-approved General Fund reserve target. Funding for the final year of the agreement assumes that revenues and expenditures will match current City projections.

Lodi certainly faces funding challenges ahead and must plan for them. It also faces continued fiscal stress to a work force that contributed significantly to addressing the fiscal impact of the Great Recession. Although the current excess over our reserve target could certainly be invested in other fashions, staff believes that investing in our employees is the most appropriate use of these funds.

Staff recommends that the Council approve the MOU between the City and POAL.

FISCAL IMPACT: Total cost of the proposed agreement is \$1,190,804 of which \$98,808 is applicable to FY 2014/15; \$327,803 is applicable to FY 2015/16; \$485,992 is applicable to FY 2016/17; and \$278,201 is applicable to FY 2017/18. The FY 2014/15 and 2015/16 component of this proposal is not included in the 2015/16 budget and will require an appropriation in the General Fund of \$426,611. Funding is available from the General Fund dollars in excess of the 2013/14 reserve target. Funding for these increased costs will be included in each year's budget.

FUNDING AVAILABLE: Funding for this item will be provided by funds in excess of the General Fund reserve target established by Council.

Adele Post, Human Resources Manager

Jordan Ayers, Deputy City Manager

Attachment

MEMORANDUM OF UNDERSTANDING

CITY OF LODI

AND

POLICE OFFICERS ASSOCIATION OF LODI

~~JANUARY 1, 2014 – DECEMBER 31, 2014~~
JANUARY 1, 2015 – DECEMBER 31, 2017

TABLE OF CONTENTS

		<u>Page #</u>
<u>CHAPTER 1 – COMPENSATION & WORKING CONDITIONS</u>		
Article I	Salary	4
Article II	Hours of Work	4
Article III	Overtime	65
Article IV	Rest and Meal Period-	6
Article V	Compensatory Time	76
Article VI	Above Class Pay	87
Article VII	Education Incentive	87
Article VIII	Bilingual Officers	87
Article IX	Arson/Explosive Ordinance Incentive	8
Article X	Motor Officers	8
Article XI	Canine Duty	98
Article XII	Police Corporals	109
Article XIII	Master Officer	10
Article XIV H	Special Assignment Pay	119
Article XV	Call Back	110
Article XVI	Court Time	120
Article XVII	Additional Compensation/Loyalty Program	121
Article XVIII	Uniform Allowance	131
Article XIX VIII	Safety Committee	142

CHAPTER 2 – LEAVES

Article XIX	Catastrophic Leave	143
Article XXI	Family Medical Leave	143
Article XXII	Bereavement Leave	153
Article XXIII	Holidays	153
Article XXIV H	Leaves of Absence	164
Article XXV	Reserved Sick Leave	165
Article XXVI	Sick Leave Vacation Leave—	
175		
Article XXVII	Vacation Leave Reserved _____	
175		
Article XXVII	Reserved _____	16

CHAPTER 3 – INSURANCE BENEFITS AND RETIREMENT

Article XXVIII	Cafeteria Plan	186
Article XXIX	Chiropractic Insurance	187
Article XXX	Dental Insurance	187

Article XXXI	Flexible Spending Account	187
Article XXXII	Vision Insurance	187
Article XXXIII	Medical Insurance	197
Article XXXIV	Reserved	2018
Article XXXV	Deferred Compensation	2019
Article XXXVI	Life Insurance	2019
Article XXXVII	Public Employees' Retirement System	2019
Article XXXVIII	Sick Leave Conversion Program	2120
Article XXXIX	Survivors Benefits	232
Article XL	Tuition Reimbursement	243

CHAPTER 4 – ASSOCIATION / CITY ISSUES

Article XLI	Association Time	243
Article XLII	Beneficial Pay Practice	243
Article XLIII	Changes in the MOU	243
Article XLIV	City Rights	254
Article XLV	Concerted Activities	254
Article XLVI	Employee Representation	265
Article XLVII	Employee Rights	287
Article XLVIII	Grievance Procedure	298
Article XLIX	Layoff Procedure	343
Article L	Probationary Period	354
<u>Article LI</u>	<u>Promotional Examinations</u>	<u>35</u>
Article LII	Severability	364
Article LIII	Term	365

Exhibit A – Salary Schedule

~~Attachment A – Side Letter Regarding Promotional Examinations~~

CITY OF LODI
AND
POLICE OFFICERS' ASSOCIATION OF LODI
20142015 - 2017

CHAPTER 1 - COMPENSATION & WORKING CONDITIONS

ARTICLE I - SALARY

- 1.1 The Salary Schedule for members of the POAL will be as set forth in Exhibit A.
- 1.2 Although the City is not required to perform a survey during the term of this MOU, the parties agree that if a survey is performed, the fifteen cities to be surveyed shall be: Chico, Clovis, Davis, Fairfield, Merced, Manteca, Modesto, Redding, Roseville, Stockton, Tracy, Turlock, Vacaville, Visalia and Woodland.
- 1.3 ~~_____ City shall provide a one-time, non-PERSable payment of \$2,300 to each member of this bargaining unit who is employed by the City on the date of approval of this MOU by the City Council. Payment will be made in a lump sum manner along with a regularly scheduled pay check within two pay periods of the approval of this MOU by the City Council.~~ The City shall provide a cost of living adjustment (COLA) of three (3.0) percent effective the first full pay period that begins after January 1, 2015.

For calendar year 2016, the City shall provide a COLA of two (2.0) percent effective the first full pay period that begins after January 1, 2016.

For calendar year 2017, the City shall provide a COLA of two (2.0) percent effective the first full pay period that begins after January 1, 2017.

ARTICLE II - HOURS OF WORK

- 2.1 Patrol Officers, Motor Officers, and Officers assigned to Investigations shall work a “10-4 4/10” plan. ~~Officers assigned to the Investigations Bureau will work a “10-4” work~~

~~schedule. School Resource Officers shall work a 9/80 plan; however, the City and the POAL both mutually agree that School Resource Officers may be temporarily assigned to 4/10 schedule during the extended school breaks, between school calendar years, or at the needs of the Department.~~

2.2 The work period for ~~POAL~~safety employees will consist of ~~7~~14 consecutive days (~~coincides with bi-weekly pay period~~). This work period shall be from Monday through ~~the second succeeding~~ Sunday.

2.3 It is mutually agreed that the City has the sole right to assign personnel, to establish hours of work and work schedules, to make changes to those schedules, to schedule employees off on compensatory time, and to schedule holidays and vacations, all depending on the "needs of the service".

2.4 The City and the POAL mutually agree that split shifts are very stressful and may cause health problems. Consequently, officers shall not work split shifts except during cases of an emergency nature. Specifically and for training purposes only, this provision does not apply to the Canine Officer assigned to Graveyard with Thursdays and Fridays off in order to better facilitate training.

2.5 ~~All employees in the classification of Police Officer Trainee, Police Officer or Police Corporal, shall select annually, beginning in the month of September, for at least a one year period, their preferred team assignment, days off sequence, holidays, and vacations on the basis of their seniority and the "needs of the service". (Seniority shall be defined as follows: Total time in service as a member of the bargaining unit. Should a member of the POAL leave membership for any reason and return to membership within twelve months, seniority shall be as if the member never left.) The parties agree to meet and confer within two weeks of the execution of this MOU to consider a side letter to conform this provision to existing practice.~~

All employees in the classification of Police Officer Trainee, Police Officer, and Police Corporal, shall select annually, beginning in January, for at least a one year period, their preferred days off sequence, holidays, and vacation time off on the basis of their seniority and the "needs of service" of the department.

Employees assigned to patrol shall be allowed to pick their days off sequence, shift, beat, holidays, and vacation time off based on their departmental seniority. Police Corporals

shall be allowed to pick their days off sequence and shift based on their seniority within the rank of Corporal. The selections for beat, holidays, and vacation time off shall be based on their departmental seniority. Departmental seniority shall be defined as the total time in service as a member of the POAL bargaining unit. Should a member of the POAL leave membership for any reason and return to membership within 12 months, seniority shall be calculated as if the member never left the bargaining unit.

K-9 officers assigned to patrol shall pick their days off sequence and shift based on the needs of service for the department. The selections for beat, holidays and vacation time off will be based on their departmental seniority.

Employees assigned to a special assignment which includes Investigations, Traffic, Bicycle Patrol, and School Resource shall pick their days off sequence, vehicle assignment, holidays and vacation time off based on their seniority within their respective unit.

Nothing in this section prevents the department from assigning personnel based on the needs of service for the department as determined in the sole discretion of the Police Chief.

ARTICLE III - OVERTIME

3.1 Overtime work may be required of any employee in order to meet special or unusual needs of service beneficial to the City and community. All overtime work requires the prior approval of a supervisor. Overtime is defined as the number of hours worked in excess of the normal weekly schedule of work hours illustrated below:

Work Schedule

10 hours per day, 4 days per week
9 hours per day, 9 days per period

Overtime

over ten hours in a day
over nine hours in a day

On the 9/~~8040~~ work schedule there is one day employees' work an eight (8) hour day. For purposes of overtime eligibility, hours worked in excess of eight (8) hours on this day shall be considered overtime.

3.2 Overtime hours shall be reported and paid at the rate of one and a half times regular pay, or any greater amount as required by law, in quarter hour increments with less than 7.5

minutes rounded down to the next quarter hour increment and over 7.5 minutes rounded up to the next quarter hour increment.

ARTICLE ~~IV~~–~~IV~~ –~~REST~~- REST AND MEAL PERIOD

4.1 The intent of the rest period is to ensure that the officer is adequately rested for his/her assigned work shift.

a. Officers will receive a continuous eight hour rest period immediately preceding or immediately following their scheduled court appearance or other departmental assignment(s), if less than eight hours has elapsed during:

- 1) the time period that officer's regular work shift ends and his/her scheduled appearance/ assignment time; or
- 2) the time period that officer is dismissed and his/her regular work shift begins.

This rest period will not be charged to the officer.

b. If an officer receives approval to take the remaining portion of his or her scheduled shift off, the officer's leave balances will be charged for the entire shift (as if no rest period has occurred).

c. The rest period does not apply when an officer is scheduled for court or appearance/ assignment the day immediately following a day off.

4.2 If an officer is called to duty or remains on duty for any reason within that rest period or into his/her normal shift, he/she shall be compensated at 150% of his/her normal rate of pay.

4.3 Officers assigned to work a 4/10 or 9/80 schedule will receive a one (1) hour paid meal period when operationally feasible. To the extent shift scheduling allows, the City will endeavor to grant each officer, below the rank of Sergeant, desiring to utilize his/her lunch time as part of a personal fitness program, permission to combine his/her 15-minute break with his/her 45-minute lunch period for this purpose. Officers may elect to utilize the one (1) hour paid meal break to work out in the gym on the second floor of the Police

Department. Officers who choose to work out in the department gym must follow the guidelines as set forth in the Department's Lexipol meal break policy.

ARTICLE V - COMPENSATORY TIME

- 5.1 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour of overtime~~time~~ worked.
- 5.2 No more than 240 hours of compensatory time may be carried on the books at any time.
- 5.3 An employee's decision to elect compensatory time instead of overtime pay is irrevocable.
- 5.4 Upon separation, the employee will be paid at the employee's current hourly rate or the average of the last three years, whichever is higher, for the remaining compensatory balance.
- 5.5 Bargaining unit members shall be allowed to cash out up to a maximum of 100 hours of earned compensatory time off twice per year, in April and October.

ARTICLE VI - ABOVE CLASS PAY

- 6.1 All employees in this bargaining unit who are required to work in a higher classification shall be paid an additional 5% of the employee's normal salary including any allowance or education incentive pay currently enjoyed by the employee if the position is vacant for more than 10 consecutive calendar days because of vacancy, illness, or industrial or non-industrial accident.

ARTICLE VII - EDUCATION INCENTIVE

- 7.1 Education incentive pay shall be as follows:

Bachelor's Degree	\$200.00 per month
Basic POST Certificate	\$50.00 per month
Intermediate POST Certificate	\$150.00 per month
Advanced POST Certificate	\$300.00 per month

No employee shall be entitled to additional pay provided in this paragraph until completion of the appropriate probationary period. The POST Incentives set forth in this clause are paid at the highest level certificate held (i.e. they are not stackable).

ARTICLE VIII - BILINGUAL OFFICERS

8.1 ~~Officers who have demonstrated a conversational proficiency in Spanish, Punjabi or American Sign Language shall receive an allowance of \$150.00 per month above their normal base pay. Employees designated by the Police Chief and approved by the City Manager who have passed a bilingual proficiency examination administered by the City shall receive a monthly bilingual allowance of \$150.00.~~ Officers shall not be eligible for the bilingual allowance while attending a POST Basic Academy.

ARTICLE IX - ARSON / EXPLOSIVE ORDINANCE INCENTIVE

9.1 Officers performing the Arson / Explosive Ordinance function shall be paid an incentive of an additional ~~2.0%~~ 4.5% of the employee's base salary.

ARTICLE X - MOTOR OFFICERS

10.1 Officers assigned to the Motors Unit shall ~~be compensated at the officer's regular rate of pay. In addition, the officer shall be credited with one and two tenths (1.2) hours of overtime per week be paid an incentive of 4.5% of the employee's base salary. and it~~ is mutually agreed this incentive fully compensates the officer for the time taken for regular pre-shift preparation, ~~washing, minor maintenance, and in City~~ transportation of the vehicle to repair facilities within the City of Lodi, and any permitted transportation of the motorcycle to and from home. It is also mutually agreed that assignments to the Motor Unit are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

ARTICLE XI - CANINE DUTY

11.1 The pay provisions for canine duty shall be regulated only by the following:

 a. The City and POAL estimate that the time canine officers spend in all aspects of the care, feeding, exercise, transport to/from work, and maintenance of their canines, on a weekly basis, is seven (7) hours, payable at the federal minimum wage overtime rate. They agree that any time spent in excess of such time is not reasonably necessary and is accordingly not authorized. ~~The pay rate for the performance of such work shall be \$7.25 per hour. Accordingly, t~~The full compensation due officers for the performance of their canine responsibilities, on a bi-weekly basis, is ~~\$101.50~~\$152.25. ~~If the federal minimum wage increases, this hourly rate shall increase accordingly.~~b. In the event of a change in federal minimum wage, the parties agree to re-open this section to adjust full compensation for these duties such that full compensation for these duties will equal at least 4.5% of base pay. –Both parties believe that this agreement complies with the requirements of the Fair Labor Standards Act. For purposes of calculating overtime for work performed by police officers in their capacity as police officers, the reference above shall be part of the base salary rate.

11.2 It is mutually agreed that assignments to the Canine program are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

11.3 Officers assigned to the Canine program shall continue in this assignment for a period of not more than five years and shall be compensated at the officer's regular rate of pay including appropriate ~~education~~ incentive pay(s). Upon completion of the fifth year, the officer's performance shall be evaluated, along with any other submitted applications of interest for the position of Canine, for the purpose of filling the position in the program. If no other applications of interest have been submitted for the position in the Canine

program, the officer holding the position may be extended for a period of two more years whereupon another evaluation period, previously mentioned, shall commence. (The City reserves the right to conduct annual evaluations on Canine Officers.)

ARTICLE XII - POLICE CORPORALS

- 12.1 Corporals shall wear the insignia (two stripes) currently in use for the Field Training Officer and they shall receive an allowance equal to 6.0% of their normal base pay. It is mutually agreed that part of the Corporal duties are those of supervision in the absence of the Sergeant. It is also mutually agreed that Corporals shall not accept, investigate, or in any form, handle any matter of discipline.

ARTICLE XIII - MASTER OFFICER

- 13.1 POAL members who have completed 8 years of sworn service (minimum of one year of service with the City of Lodi for Laterals), who possess their Advanced POST certificate, and who have successfully passed a written examination administered by the Human Resources Division shall be paid an incentive of 3% of the employee's base salary and be designated as a Master Officer.

The City and the POAL both mutually agree that the written examination will be developed by the Human Resources Division and in collaboration with the Police Chief or designee(s).

The first Master Officer written examination shall be administered to all eligible POAL members no later than September 1, 2015. Upon successful development and administration of the first written examination, this contingency shall sunset.

- 13.2 Master Officers may be considered for Field Training Officer (FTO); however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of 3% of the employee's base salary when assigned as an FTO. Corporals will not be eligible for this additional 3% FTO incentive.

- 13.3 Master Officers may be considered for Field Supervisor; however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of

3% of the employee's base salary when assigned as a Field Supervisor. Corporals will not be eligible for this additional 3% Field Supervisor incentive.

ARTICLE XIVH - SPECIAL ASSIGNMENT PAY

143.1 Officers assigned to ~~Investigationsthe Detective Bureau~~ and SWAT shall receive an allowance equal to 4.5% of their normal base pay. It is mutually agreed that assignments ~~to the Detective Bureau~~ to Investigations and SWAT are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

ARTICLE XIV - CALL BACK

154.1 Officers called to appear for work within two hours of the beginning of a shift, or one hour after the shift, shall receive overtime at the rate of time and one-half. Such appearances shall be reported as contiguous shift extensions. If the appearance begins more than two hours before or more than one hour after the scheduled shift, the employee will be credited a minimum of three hours at the time and one-half rate.

When an officer is ordered back to work on an "as soon as possible" basis and reports within thirty minutes, the officer shall be compensated from the time of the call.

ARTICLE XVI - COURT TIME

- 165.1 Police Officers scheduled to make court appearances during off-duty hours, on scheduled days off, or when on graveyard shift, shall be compensated at the rate of time and one-half for actual hours involved in such appearances. In no event shall they be paid for less than four hours.
- 165.2 Court appearances which are within two hours of the beginning of a shift or within one hour of the end of the shift shall be compensated at the time and one-half rate. Such appearances shall be reported as contiguous shift extensions.
- 165.3 Cancellation of scheduled appearance must be made at least two hours before said scheduled appearance or the minimum four hours shall be paid.
- 165.4 Officers who receive a subpoena to appear in court, shall notify the Watch Commander of the appearance date and time in order to provide the Watch Commander time to review the schedule to determine if rest period time is required, or additional staff will be needed.

ARTICLE XVII - ADDITIONAL COMPENSATION/LOYALTY PROGRAM

- 176.1 After completing ten years of service with the Lodi Police Department, employees shall receive an annual loyalty compensation amount of \$1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive an annual loyalty compensation amount of \$3,000 on November of the year following completion of twenty full years of service and each year thereafter.

For the purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) shall receive the loyalty compensation associated with their years of service with the Lodi Police Department.

The Incentive in this Article is limited to employees hired prior to July 10, 2012.

ARTICLE XVIII - UNIFORM ALLOWANCE

- 187.1 The uniform allowance shall be \$950 annually paid bi-weekly in the employee's normal payroll check.
- 187.2 The City agrees to pay a sum of \$1,200 to offset the initial uniform and equipment costs required for a Motor Officer and to pay an additional \$800 annual uniform allowance for those officers assigned to Motors, paid bi-weekly in the employee's normal payroll check.
- 187.3 If a Motor Officer fails to complete an 18-month assignment he/she agrees to reimburse the City on a prorated basis for each month not completed. If he/she is relieved for lack of performance before the minimum 18 months, he/she shall also reimburse the City on the same prorated basis. If he/she completes the 18-month assignment the equipment becomes the officer's sole possession.
- 187.4 The City agrees to provide each officer a set of "Threat Level 3-A" body armor. When an employee is on patrol he/she agrees to wear his/her body armor.
- a. In that the City and POAL agree that officer safety is paramount, the City agrees to replace all ballistic vests prior to the end of the fifth year from the date of manufacture.
 - b. The City agrees to furnish each officer an SL-20 flashlight by Streamlight. The City agrees to exchange the flashlight battery and flashlight bulb upon request, but no more often than once in any twelve-month period.
- 187.5 Uniforms and safety equipment damaged in the line of duty shall be replaced or repaired by the City.
- 187.6 Upon appointment to the classification of Police Officer or Police Officer Trainee, the individual will be given an amount equal to the annual uniform allowance for the sole purpose of purchasing City approved uniforms and equipment. The employee will not receive a bi-weekly uniform allowance until after 12 months of employment.

If the employee's employment is terminated for whatever reason during the first 12 months of employment, the entire uniform allotment will be deducted from the employee's severance pay.

187.7 If an employee is terminated, all remaining bi-weekly uniform allowance payments will be forfeited as of the termination date.

~~187.8 In addition to the above uniform allowance, City agrees to make a one time, non-PERSable payment of one percent (1%) of employees' base salary as shown in Schedule A toward the uniform allowance to each member of the bargaining unit who is employed by the City on the date of approval of this MOU by the City Council. Payment will be made in a lump sum manner with a regularly scheduled pay check within two pay periods of approval of this MOU by the City Council. This clause shall sunset on December 31, 2014. The City and POAL will continue to work together on the concept of a Quarter Master uniform program and if mutually agreeable the program may be implemented through a side-letter agreement or contract amendment.~~

ARTICLE XVIII - SAFETY COMMITTEE

198.1 The City and the POAL are firmly committed to maintaining a safe and healthful working environment and both jointly are committed to ensuring the safety and health of City employees and provide a safe and healthful work environment.

In order to carry out this goal, a department safety committee shall be formed whose duty it shall be to ensure that work place hazards are identified and abated in a timely manner. This safety committee shall be chaired by the "Administrative Sergeant" and shall consist of three (3) Police Officers, one (1) Lieutenant, one (1) Captain, and three (3) non-sworn members of the department.

CHAPTER 2 - LEAVES

ARTICLE XIX- CATASTROPHIC LEAVE

~~2019~~.1 Catastrophic Leave is available to employees in accordance with the City's current Catastrophic Leave of policy.

| **ARTICLE XXI - FAMILY ~~MEDICAL~~ MEDICAL LEAVE**

| **210.1** Family Medical Leave is available to employees in accordance with the City's current Family Medical Leave policy.

ARTICLE XXII - BEREAVEMENT LEAVE

221.1 Bereavement Leave is available to employees in accordance with the City's current Bereavement Leave policy.

ARTICLE XXIII - HOLIDAYS

232.1 Effective January 1 of each year, each represented member of the POAL shall ~~receive be granted- 13.5 days~~ 135 hours of holiday leave which may be taken on any day of the week depending on the needs of the service. ~~For purposes of this section, a day shall be the equivalent of one assigned shift of work. However, notwithstanding anything to the contrary in this MOU,~~ Holiday Leave may be taken in hourly increments.

232.2 Police Officers assigned to patrol shall pick holidays by seniority, in one-shift increments, depending on the needs of the service. There shall be no fixed holidays during the year with the exception that the current practice of Thanksgiving, Christmas, and New Year's holidays be fixed (i.e. - the actual date on which the holiday falls is recognized and therefore taken) for officers assigned to Motors shall be continued.

Employees hired or separating from service mid-year shall be credited with holiday leave on a prorated basis with the exception that the three holidays fixed for Motor Officers shall not be prorated.

232.3 Officers assigned to ~~Investigationsspecial assignments~~ shall observe the following holiday schedule, unless the needs of the department dictate otherwise:

New Year's Day	January 1
Martin Luther King, Jr. Day	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 st Monday in September
Thanksgiving Day	4 th Thursday in November
Day after Thanksgiving	Friday following Thanksgiving
Afternoon of Christmas Eve	half day on December 24
Christmas	December 25

If one of these days falls on a Saturday, the ~~preceding~~ proceeding Friday shall be observed, and if one of these days falls on Sunday, the succeeding Monday shall be

observed. Officers may ~~take off four additional days~~ use their remaining holiday leave during the year at a time mutually agreeable to the officer and his/her supervisor.

Employees hired mid-year shall be credited with the remaining fixed holidays in the calendar year, plus one additional holiday for each three-month period remaining in the year. Employees separating from service mid-year shall have the remaining fixed holidays in the calendar year plus one additional holiday for each three-month period remaining in the year deducted from their holiday leave balances.

~~22.4 If a Police Officer is transferred from patrol to special assignment or vice versa, the remaining holiday hours shall be adjusted to reflect an equivalent number of days.~~

~~232.45~~ Bargaining unit members shall be allowed to cash out holiday time in April and October. If holiday time is not used by the end of the calendar year, it will be cashed out to the employee.

ARTICLE XX~~III~~IV - LEAVES OF ABSENCE

~~243.1~~ Leaves of Absence are available to employees in accordance with the City's current Leave of Absence policy.

ARTICLE XXIV RESERVED

ARTICLE XXV - SICK LEAVE

25.1 The objective of this section is to provide methods of furthering the health and general welfare of City employees, as well as ensuring maximum and reasonable job attendance. Sick leave should not be viewed as a right to be used at the employee's discretion, rather it is a benefit of paid time away from the work duties in the event of one of the following circumstances:

- a. Actual illness or injury of the employee.
- b. Medical or dental appointments of employee, or employee's immediate family members, when such appointments cannot be arranged during off-duty hours, and when the employee's family member is incapable of independently attending such appointments.
- c. Where the employee's medical attention to an immediate family member is required.
- d. Emergency leave to the death or imminent death of family members.

25.2 Effective the pay period beginning October 25, 2004, all employees shall accumulate sick leave at the rate of 5.54 hours per pay period (144 hours per year).

25.3 Sick leave may be accumulated to an unlimited amount.

ARTICLE XXVI - VACATION LEAVE

26.1 Vacation accruals shall be as follows:

0-5 years	vacation shall be earned at the rate of 3.08 hours per pay period.
6-11 years	vacation shall be earned at the rate of 4.62 hours per pay period.
12-14 years	vacation shall be earned at the rate of 5.24 hours per pay period.
15-20 years	vacation shall be earned at the rate of 6.16 hours per pay period.
21 years	vacation shall be earned at the rate of 6.47 hours per pay period.
22 years	vacation shall be earned at the rate of 6.78 hours per pay period.
23 years	vacation shall be earned at the rate of 7.09 hours per pay period.
24 years	vacation shall be earned at the rate of 7.40 hours per pay period.
25 years	vacation shall be earned at the rate of 7.71 hours per pay period.

26.2 During the first continuous 12 months of employment, vacation days shall be earned but may not be taken. An employee who terminates employment for any reason during the first 12 months of employment shall be entitled to cash out of accrued and unused vacation leave. ~~payoff for vacation days on a prorated basis.~~

26.3 At the completion of 12 continuous months of employment, the employee is eligible to take his/her accrued vacation leave in accordance with department policy.

26.4 The maximum amount of unused vacation hours that an employee may accrue, at any given time is twice the employee's annual vacation entitlement. Whenever an employee's unused, accrued vacation has reached this maximum accrual amount, the employee shall stop accruing any additional vacation. Accrual will automatically resume once the employee uses some vacation and the accrual balance falls below the maximum accrual amount.

Under extenuating circumstances, requests to accrue vacation leave over the maximum may be authorized by the City Manager. For all other issues regarding Vacation Leave refer to the City's Policy ~~on~~ Vacation Leave.

26.5 All persons hired after October 10, 1994, shall only accrue a maximum of 6.16 hours of vacation per pay period.

26.6 Employees shall be eligible to annually cash out all accrued vacation hours in excess of 80 hours in October of the calendar year.

ARTICLE XXVII - RESERVED

CHAPTER 3 - INSURANCE BENEFITS & RETIREMENT

ARTICLE XXVIII - CAFETERIA PLAN

28.1 The City intends to propose a cafeteria based benefit ~~plan with an effective date of January 1, 2015. This~~ program that would incorporate but not be limited to Medical, Dental, Visions, Chiropractic and Life Insurance. The above terms of this Agreement will be reopened for negotiation upon the City's presentation of a draft plan. The City will form a committee, comprised of one member from each Bargaining Unit, along with City staff to discuss the contents of said cafeteria plan. The City's proposed cafeteria plan will offer substantially the same or better benefits to those currently received by unit members.

ARTICLE XXIX - CHIROPRACTIC INSURANCE

29.1 Chiropractic services may be received by employees and dependents. This benefit allows up to a maximum of 40 visits per calendar year. Co-payments for services are \$10.00.

ARTICLE XXX - DENTAL INSURANCE

30.1 The City agrees to provide a dental plan equivalent to the Stanislaus Foundation for Medical Care dental plan (group number 5110) to all employees and their eligible dependents. The City reserves the right to select any dental administrator.

30.2 The City shall pay the full cost ~~for the employee of the~~ dental premium for the employee and one-half the premium for eligible dependents for the term of this agreement.

ARTICLE XXXI - FLEXIBLE SPENDING ACCOUNT

31.1 Members of this unit are eligible to participate in the City's Flexible Spending Account Program which allows employees to pay for unreimbursed medical costs, insurance premiums, and child care costs to be paid with pre-taxed dollars.

ARTICLE XXXII - VISION INSURANCE

32.1 The City agrees to provide, at its expense, a Vision Care Plan equivalent to the VSP Plan B with a \$25.00 deductible for employee and eligible dependents. The entire premium shall be paid by the City. The City reserves the right to select any vision carrier.

ARTICLE XXXIII- MEDICAL INSURANCE

33.1 The City shall offer medical insurance equivalent to the CalPERS Health Program. If no equal alternative is readily available, the City and the POAL will meet to negotiate alternatives promptly. To the extent the provider discontinues or changes the medical plan coverage, these changes are not the responsibility of the City. The City shall however, make every effort to retain the medical plan as agreed to by the POAL and City.

33.2 All employees are offered medical insurance for themselves and eligible dependents through CalPERS medical plans. City shall pay 100% of the premium for employee's family category (Family, Employee + 1, SingleEmployee Only) for the lowest cost PERS HMO available in Lodi's geographical area (excluding Porac) effective January 1, 2014.

If an employee ~~elects not to be covered by waives~~ medical insurance through the City, the employee may at their option take the following in cash or deposited into their deferred compensation account of Lodi, an additional:

- \$692.81 per month for Family
- \$532.92 per month for Employee + 1
- \$305.22 per month for SingleEmployee Only

~~will be added to either the employee's deferred compensation account or cash.~~ In order to qualify for this provision, proof of group insurance must be provided to the City.

Effective January 1, 2014, City will pay a maximum of the following for each family category:

- \$1,709.06 per month for Family
- \$1,314.66 per month for Employee + 1
- \$657.33 per month for SingleEmployee Only.

If employee selects a higher cost plan, employee will pay the difference as a payroll deduction.

POAL shall allow a number equal to half of their membership of City employees to become associate members of POAL solely to allow access to health plans not otherwise available to non-public safety members. Associate memberships shall be allotted on a first-come, first-served basis.

- 33.3 Employees shall be eligible for medical insurance the first day of the month ~~next~~ following the date the employee becomes a full-time probationary employee of the City.
- 33.4 Employees who retire on a service retirement shall have the option of purchasing, at the employee's cost, additional medical insurance sufficient to reach age 65.
- 33.5 The City will make every effort to keep the POAL informed early of changes to coverage, premiums, or policies, and will notify the POAL of any such proposed change within ten days of receiving such notice. This includes forwarding copies of supporting documents, reports and periodic satisfaction surveys to the POAL within ten days of receipt of such supporting documents, reports and periodic satisfaction surveys.

ARTICLE XXXIV - RESERVED

ARTICLE XXXV - DEFERRED COMPENSATION

- 35.1 ~~The City agrees to allow e~~Employees ~~may voluntarily to continue to~~ participate in the City of Lodi's Deferred Compensation Plan as allowed by IRS Code 457(k).
- 35.2 The City shall match contributions by an employee to a deferred compensation program up to a maximum 3.0% of the employee's gross salary.

ARTICLE XXXVI - LIFE INSURANCE

- 36.1 The City agrees to provide each covered member a \$25,000 accidental death policy in addition to any other life insurance policy or statutory payments that may be due to an employee in the event of death resulting from a line-of-duty injury.

ARTICLE XXXVII - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

- 37.1 The City of Lodi provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 who are deemed "classic" employees by PERS:

Public Safety

- 3% @ 50 plan

- 1959 Survivors Benefit – Third Level
- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Single Highest Year

37.2 For employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

Public Safety

- 3% @ 55 plan
- 1959 Survivor Benefit – Third Level
- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest Three Year Average

37.3 The City agrees to provide the following PERS retirement program and to pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

Public Safety

- 2.7% @ 57 plan
- 1959 Survivor Benefit – Third Level
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest Three Year Average
- Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

ARTICLE XXXVIII - SICK LEAVE CONVERSION PROGRAM

38.1 This section applies to all employees hired prior to October 10, 1994.

For all unused sick leave, a represented employee with ten years of employment with the City shall receive medical insurance coverage upon retirement (but not upon resignation or termination) on the following basis:

OPTION #1 – “Bank”

Fifty percent (50%) of the dollar value of sick leave will be placed into a "bank" to be used for medical insurance premiums for the employee and dependents. For each year that an employee has been employed in excess of 10 years, two and one-half percent (2.5%) will be added to the fifty percent (50%) for valuing the size of the bank.

For example:

Officer Smith retires with 20 years of service and 1800 hours of sick leave. His/her monthly salary is \$3,412.47 (\$19.61 per hour).

$$1800 \times .75 \times \$19.61 = \$24,473.50$$

This amount will be reduced each month by the current premium for the employee and dependent until the balance is gone. In the event the retiree dies the remaining bank will be reduced by fifty percent (50%) and the survivor may use the bank until the balance is gone or may cash out the remaining balance.

OPTION #2 – “Conversion”

The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month's premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement, subject to the cap shown in Section 33.2 of this MOU. Any differences created by an increase in premiums must be paid for by the employee.

For example:

Officer Smith retires with 25 years of service and 1800 hours of unused sick leave:

$$\text{Sick Leave Hours} - 1800 \text{ divided by } 8(\text{coverage factor})=225$$

$$225 \text{ times } 87.5 (\% \text{ of coverage})=196.88$$

$$196 \text{ divided by } 12(\text{yrs}) = 16.4 \text{ total years of coverage}$$

OPTION #3 – “Cash-Out”

A retired employee may choose to receive a cash settlement for unused sick leave at the rate of \$.30 on the dollar. Under this provision, the employee's sick leave balance at the time of retirement shall be converted to dollars at the employee's current pay rate.

OPTION #4 – “Service Credit”

Employees may elect to add PERS credit for unused sick leave per Government Code Section 20868.8. This benefit is available to all employees regardless of the date hired; however, it is the only sick leave conversion benefit available to employees hired after October 10, 1994. It is agreed that eight hours equals one day for purposes of determining days creditable. If an eligible employee opts to utilize the provisions of Section 37.1, the City will report they have zero hours of unused sick leave.

- 38.2 In the event an active employee dies before retirement and that employee is vested in the sick leave conversion program (10 years) the surviving dependents have an interest in one-half the value of the bank as calculated in option #1.
- 38.3 In accordance with the sick leave conversion provisions, a surviving spouse may at his/her own expense, continue medical insurance at the employee only premium for the same period as if the employee had not died.
- 38.4 Out of area retirees may receive reimbursement for medical insurance premiums up to the City's liability as specified in Section 38.1 of this Article.

ARTICLE XXXIX - SURVIVORS BENEFITS

39.1 The City shall pay 100% of the premiums for health and dental benefits described in this MOU for the surviving spouse and any minor children of any member of the POAL who is killed or dies during the performance of official duties. Premiums will be paid at the current rate in effect at the time of the member's death. Premiums will continue to be paid by the City until such time as the surviving spouse is covered by other insurance or remarries, and for dependent children of the member killed in the line of duty until such time as either:

- (1) the children become adults, or

- (2) the children are covered under other alternative medical coverage provided by and through the surviving spouse or the person who he/she remarries.

39.2 Survivor benefits (listed in 4856 of the California Labor Code) do not apply to Police Officer Trainee until such time that he/she is sworn pursuant to Article 20, Section 3

39.3 Disability benefits (listed in 4850 of the California Labor Code) shall not apply to until such time that he/she is sworn pursuant to Article 20, Section 3.

ARTICLE XL - TUITION REIMBURSEMENT

40.1 Tuition Reimbursement is available to employees in accordance with the City's current Tuition Reimbursement policy

CHAPTER 4 - ASSOCIATION/CITY ISSUES

ARTICLE XLI - ASSOCIATION TIME

41.1 Individual bargaining unit members may donate from their accrued vacation leave, holiday leave, or compensatory time off up to a total of 800 hours per calendar year for Association business directly related to representation of Lodi Police Officers. The President of the POAL may designate members of the Association to utilize this time. Only one member at a time may be absent unless mutually agreed that additional members may be absent. Five days advance notice of use of time shall be given. The time may be used only in hourly increments with a two-hour minimum.

41.2 The POAL has the right to purchase additional time at the rate of 150% of base pay.

41.3 Except in cases of an emergency, the President of the POAL shall be granted one day per week wherein half of one day's shift per week may be used for the performance of the duties of the office of President of the POAL. This time shall be scheduled at a time mutually agreed upon between the POAL President and the ~~Chief of Police~~ Chief or his designee. Such time shall be charged to the Association time bank.

ARTICLE XLII - BENEFICIAL PAY PRACTICE

42.1 If the department, in its sole discretion, wishes to implement a new beneficial pay practice, it will notify the POAL and provide an opportunity to meet and confer.

ARTICLE XLIII - CHANGES IN THE MEMORANDUM OF UNDERSTANDING

43.1 The City and the POAL agree to reopen this MOU and to renew Meeting and Conferring on the subjects set forth herein during the term of this MOU in the event that any provision of this MOU is modified by statute or by a competent order of a court in such a way as to affect either the employees or the City. In such event, all remaining provisions of the MOU shall continue in full force and effect unless and until they are also modified by statute or competent order of a court or agreement of the City and the POAL.

ARTICLE XLIV - CITY RIGHTS

44.1 It is further understood and agreed between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include but are not limited to, the exclusive rights to:

- Determine the mission of its constituent departments, commissions, and boards.
- Set standards of service.
- Determine the procedures and standards of selection for employment.
- Direct its employees.
- Maintain the efficiency of governmental operations.
- Determine the methods, means, and personnel by which government operations are conducted.
- Take all necessary actions to carry out its mission in emergencies.
- Exercise complete control and discretion and the technology of performing its work.

City rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to make and enforce standards of conduct and discipline, and to determine the content of job classifications; provided, however, that nothing herein may be read to extend the term of the MOU nor to supplement negotiations as a means for arriving at terms for a successor MOU.

ARTICLE XLV - CONCERTED ACTIVITIES

45.1 The POAL and employees agree that they will not engage in any strike, sympathy strike, slowdowns, work to rule, “blue flu”, or other concerted withholding of services. In the event of any such activity, the POAL will take any such activity to a cessation immediately. The association and all employees covered by this agreement acknowledge that any such activity by employees covered by this agreement is misconduct which may lead to discipline up to termination.

ARTICLE XLVI - EMPLOYEE REPRESENTATION

46.1 This Memorandum of Understanding (MOU) is entered into between representatives of the City of Lodi (City) and representatives of the Police Officers' Association of Lodi (POAL).

The parties hereto acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq. of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth herein.

Both parties each certify without reservation that an adequate opportunity has been afforded its bargaining representatives to propose and vigorously advocate all negotiable subject matter during the course of collective negotiations preparatory to signing this agreement. City will meet and confer before changing a policy or general order that is subject to meet and confer under the Meyers-Milias-Brown Act.

The terms and conditions of this MOU are applicable to Police Officer Trainee, Police Officer and Police Corporal.

It is mutually agreed that this document supersedes all previous MOU's and all practices not defined in this MOU.

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

The City and the POAL agree and understand that if any section of this MOU in any way conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure manual, City resolutions, or City ordinances, any ambiguity will be resolved in favor of the MOU language. If the MOU is silent on an issue, the applicable document (i.e. policy manual or rules for personnel administration) is controlling. State and Federal laws will be adhered to.

46.2 The City and the POAL mutually agree that the City shall grant dues deduction to City employees who are members of the POAL in accordance with the terms and conditions set forth in Section 4, Rule 2 of City of Lodi Resolution No. 3344 entitled "Adopting Rules and Regulations to Implement Provisions of the Employee-Employer Relations

Resolution." The POAL shall indemnify, defend, and hold the City harmless against any claims made and against any suit instituted against the City on account of check-off of said employee organization's dues. In addition, the POAL shall refund to the City any amounts paid to it in error upon presentation of supporting evidence. An authorization for payroll deductions may be canceled or modified upon written notice to the City and the Association before the 20th day of the month in which the cancellation is to become effective, subject to the provisions of this article. Any dues check-off cancellation or modification notice shall first be forwarded to the POAL for notation and then returned to Payroll prior to any change in a members dues check-off'.

- 46.3 The City shall make available a period of one hour to the association in each recruit class with an end toward education of each employee of the rights and benefits under the collective bargaining agreement, as well as other association benefits, and the responsibilities of the employee and the organization of the association with an end toward having an employee who would become a better association member and a better employee.
- 46.4 All new hires in the classification of Police Officer Trainee shall remain in this category until they have completed their field training program and have been certified to work as a Police Officer.
- 46.5 For purposes of continued certification of the POAL as the recognized employee organization for this unit, employees who are members or hereafter become members shall maintain membership with the POAL for the life of this MOU except that any unit employee may withdraw from membership not earlier than ninety days nor less than sixty days before the expiration of this MOU. Such withdrawal must be in writing and delivered to the POAL. A copy of the request shall be forwarded to the Finance Department upon receipt by the POAL.
- 46.6 The City agrees to recognize the POAL representatives for the purpose of representing members of the POAL on all matters relating to the administration of this MOU, and, upon the request of an employee, on adverse actions and other matters which may be or are on appeal in accordance with Article XLVII of this MOU.

ARTICLE XLVII - EMPLOYEE RIGHTS

- 47.1 The City agrees that all disciplinary actions shall be taken in a timely manner, recognizing that imposing discipline, grieving such discipline, investigations, and criminal proceedings may preclude timely action. This process also includes investigations of the complaint, recommending discipline to the office of the Police Chief, and the imposition of discipline.
- 47.2 The POAL retains the right to provide representation for employees in the classification of Police Officer Trainee, though it is acknowledged that prior to being sworn pursuant to Article 20, Section 3, that the Police Officers Procedural Bill of Rights is not applicable to those employees. The City and its employees agree that disciplinary actions involving employees in the classification of Police Officer Trainee, prior to being sworn, will continue to be handled in a manner consistent with other member of this bargaining unit.
- 47.3 It is understood by both parties that the POAL, in addition to any other rights herein specified, has the following rights:
1. To represent its members before the City regarding wages, hours, and other terms and conditions of employment.
 2. To receive timely written notice of changes to or adoption of any rule or regulation directly relating to wages, hours and other terms and conditions of employment.
 3. With an employee's written consent, an authorized POAL representative shall be permitted, upon request, to inspect the employee's official departmental personnel file during normal business hours. Such review shall not interfere with normal business of the Department.

The City agrees to recognize the POAL representatives for the purpose of representing employees on all matters relating to the administration of this MOU; and, upon the request of an employee on adverse actions and other matters which may be or are on appeal in accordance with Article XLVI of this MOU.

- 47.4 The City agrees to provide each represented employee with copies of special orders, general orders, training bulletins, departmental rules and regulations, and a copy of this MOU.
- 47.5 The City agrees not to interfere or in any way discriminate against an employee for exercising his/her right to belong to an employee organization or to exercise his/her rights under this MOU. The POAL similarly agrees that it will not interfere with or discriminate against employees for exercising rights to belong or refrain from belonging to, supporting, or participating in the activities of an employee organization.
- 47.6 Both the City and the POAL agree that no employee shall be subjected to any discrimination by the City or fellow employees in any matter relating to hiring, promotion, assignment, wages, or conditions of employment because of age, sex, creed, color, or national origin. Alleged discriminatory acts are subject to the City's Policy and Procedure regarding Discrimination, not the grievance procedure.

ARTICLE XLVIII - GRIEVANCE PROCEDURE

- 48.1 Intent and definitions of this section:
- a. This grievance procedure shall be used to process and resolve disputes regarding the interpretation or application of any of the terms and conditions of this MOU, Letters of Understanding, and formal interpretations and clarifications executed by the POAL and the City.
 - b. The intent of this procedure is to resolve grievances informally at the lowest possible level and to provide an orderly procedure for reviewing and resolving grievances promptly.
 - c. A grievance is a good faith complaint of one or a group of employees or a dispute between the City and the POAL involving the interpretation, application, or enforcement of the express terms of this MOU and other terms and conditions of employment and matters of discipline.
 - d. As used in this procedure, the term "party" means an employee, the POAL, the City, or their authorized representatives. The employee is entitled to representation through all the steps in the procedure.
 - e. As used in this procedure the term "working days" refers to Monday through Friday, excluding City-recognized holidays.

48.2 Grievance Procedure

- A. Grievances in General. An employee, individually or in representation of a group of employees, may complain to City management through the grievance procedure regarding any matter relating to that employee's wages, hours, or conditions of employment. A grievance may be either formal or informal. An informal grievance is a prerequisite to filing a formal grievance.
- B. Informal Grievance. An employee, individually or in representation of a group of employees, with a grievance shall first discuss the matter with his or her immediate supervisor within ten (10) working days of the matter complained of. The supervisor and the employee shall attempt to informally resolve the dispute. If this is not accomplished, the employee shall next discuss the matter with the next level of supervision within ten (10) working days of the unsuccessful discussion and so on, until the employee reaches the Police Chief. The decision of the Police Chief regarding an informal grievance shall be final unless the employee files a formal grievance. A request for the grievance to be presented in writing may be made at any supervisory level and shall be made prior to filing a formal grievance.
- C. Formal Grievance
1. An employee, individually or in representation of a group of employees, who has a grievance which remains unresolved after utilizing the informal grievance procedure may file a formal grievance in writing. The employee shall file a formal written grievance with the City Manager or designee within ten (10) working days after the final decision on the informal grievance. The formal grievance shall contain all relevant information relating to the grievance which the employee wishes the City Manager to consider. The City Manager or designee shall meet with and respond in writing to the employee within ten (10) working days of the receipt of the grievance.
 2. A grievance may be appealed to arbitration. Only the POAL may appeal to arbitration, and must notify the City within ten (10) working days after the decision of the City Manager.
 3. Selection of Arbitrator. Within ten (10) working days after the request for arbitration is received by the City or at a date mutually agreed to by the

parties, the parties shall meet to select an impartial arbitrator. If no agreement is reached, the parties shall immediately and jointly request a panel of five arbitrators from the State Conciliation and Mediation Service and shall alternately strike names until one name remains. The order of striking shall be determined by lot.

48.3 Discipline

A. Discipline in General. Causes for disciplinary action are specified in the Rules for Personnel Administration (RPA) and the Department's policy manual. Disciplinary action includes but is not limited to written reprimands, demotion, suspension, or discharge of the employee. The causes cited in the RPA and policy manual are for both specific and exemplary reasons to alert employees to the more commonplace types of disciplinary issues. However, because conditions of human conduct are unpredictable, there may arise instances of unacceptable behavior not included in the written list of causes, in which the City may find it necessary and appropriate to initiate disciplinary action.

B. Right of Appeal

1. Any employee shall have the right to appeal an EPO to the Division Commander (or Police Chief if issued by Division Commander). Any employee shall have the right to appeal a written reprimand through the chain of command up to the Police Chief or his designee. The decision of the Police Chief is final and binding and not subject to further appeal. The appeal process timeline is as specified in #2a and #2b.
2. Any employee in the POAL bargaining unit shall have the right to appeal disciplinary action above a written reprimand as follows:
 - a. An employee must submit, in writing, to the Division Commander the appeal, clearly stating the basis and requested action within ten (10) working days after receiving the notice of discipline. The decision of the Division Commander will be issued within ten (10) working days of receipt of appeal.
 - b. The Division Commander's decision may be appealed to the Police Chief or his designee by filing in writing within ten (10) working days after issuance. The Police Chief will schedule a meeting with

the employee and hear all evidence germane to the dispute. Thereafter, the Police Chief will decide the matter within ten (10) working days.

- c. The Police Chief's decision may be appealed to the City Manager or his designee by filing in writing within ten (10) working days after issuance. The City Manager will respond in writing within ten (10) working days of receipt of the appeal.
- d. The City Manager's decision may be submitted to arbitration as the final level of appeal for disciplinary action. Only the association may appeal to arbitration and must notify the City within ten (10) working days of the date of notice from the City Manager.

C. Conduct of Appeal Process

- 1. Failure by either party to meet the established time limits will result in forfeiture by the failing party. Grievance settled by forfeiture shall not bind either party to an interpretation of this MOU, nor shall such settlements be cited by either party as evidence in the settlement of subsequent grievances.
- 2. The time limits specified may be extended by mutual agreement between the parties.

D. Arbitration Process Guidelines

To insure that the arbitration process is as brief and economical as possible, the following guidelines shall be adhered to:

- a. An arbitrator may, upon mutual consent of the parties, issue a decision, opinion, or award orally upon submission of the arbitration.
- b. Both parties and the arbitrator may tape record the hearing.
- c. There shall be no official transcript required; however, either party may utilize a court reporter at its own sole expense. The cost of a court reporter required by an arbitrator shall be shared equally by the parties.
- d. In grievance arbitration, the parties may agree to prepare a joint letter submitting the issue in dispute. The letter shall present the matter on which arbitration is

sought and shall outline the MOU provisions governing the arbitration. It may contain mutually agreed on stipulations of fact and it may be accompanied by any documents that the parties mutually agree shall be submitted to the arbitrator in advance of the hearing which may not necessarily be stipulations of fact. Further, if the parties mutually agree, the entire matter may be submitted to arbitration for review without a hearing. Absent agreement to prepare a joint letter, the parties may submit separate letters.

- e. The strict rules of evidence are not applicable and the hearing shall be informal.
- f. The parties have the right to present and cross-examine witnesses, issue opening and closing statements, and file written closing briefs. Testimony shall be under oath or affirmation.
- g. The arbitrator may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.
- h. Attendance at a hearing shall be limited to those determined by the arbitrator to have a direct connection with the appeal. Witnesses normally would be present at the hearing only while testifying and should be permitted to testify only in the presence of the employee or his/her representatives and the employer's representatives.
- i. The arbitration hearing will be held on the employer's premises.
- j. The cost of arbitration shall be borne equally by the parties. However, the cost, if any, of cancellation or postponement shall be the financial responsibility of the party requesting such delay unless mutually agreed by the parties.

The decision, opinion, or award shall be based on the record developed by the parties before and during the hearing. The decision will be in writing and it shall contain the crucial reasons supporting the decision and award.

The arbitrator has no power to add to, subtract from, or modify the terms of the MOU or the written ordinances, resolutions, rules, regulations, and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this MOU. The arbitrator shall be without power or authority to make any decision that requires the City or management to do an act prohibited by law.

The arbitrator has no power to add to a disciplinary action.

The arbitrator's decision shall be final, binding, and precedential and the arbitrator's decision shall possess the authority to make an employee whole to the extent such remedy is not limited by law, including the authority to award back pay, reinstatement, retroactive promotion where appropriate, and to issue an order to expunge the record of all references to a disciplinary action if appropriate.

The arbitrator shall have the authority to make all arbitrability and/or grievability determinations. The arbitrator shall make grievability and/or arbitrability determinations prior to addressing the merits of the case.

By filing a grievance or appealing a disciplinary action to arbitration, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than is provided by this grievance/arbitration procedure. The processing of a grievance to arbitration shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

ARTICLE XLIX - LAYOFF PROCEDURE

- 49.1 In the event that reductions in rank or layoffs of Police Unit personnel are necessary, the following procedure shall be followed:
- a. Any reduction in rank shall be based entirely on seniority. The employee having the least classification seniority shall be reduced first and transferred to the next lower classification to which he/she previously worked.
 - b. If an employee is reduced in rank he/she shall not be laid off until all other employees of similar rank to which he/she was reduced have been laid off (i.e., if a Police Sergeant is reduced in rank to Police Officer, he/she must then be the last Police Officer to be laid off, regardless of the seniority of the other Police Officers).

c. All layoffs of Police personnel within the seniority span of service shall be by merit (at the discretion of the City Manager upon the recommendation of the Police Chief). The seniority spans of service are as follows:

- 1) All Police Officer Trainees based on seniority; then
- 2) All Police Officers on probation (one-year period);
- 3) All personnel with less than two years seniority; then
- 4) All personnel with two to three years seniority; then
- 5) All personnel with three to six years seniority; then
- 6) Personnel with more than six years shall be laid off by seniority.

Before any employee of a higher seniority group is laid off, all persons in the junior group must be laid off first.

d. Reinstatement shall be in reverse order of layoff or reduction in rank (i.e., the last Police Officer to be laid off would be first Police Officer reinstated.)

ARTICLE L - PROBATIONARY PERIOD

50.1 During the probationary period, the probationary employee shall be entitled to sick leave benefits. Employees shall be eligible to be considered for a merit increase upon the successful completion of probation. Nothing herein shall be deemed to alter the terms or conditions of the probationary period following promotion.

ARTICLE LI - PROMOTIONAL EXAMINATIONS

51.1 The certification process on promotional examinations for positions represented in this bargaining unit (Police Corporal) will be as follows:

1. For one vacancy, the top five highest scoring applicants will be certified to the Police Chief for a hiring interview.
2. In the event of more than one vacancy at the same time, two additional names will be certified for each additional vacancy. For example, if there are two vacancies, seven (7) names shall be certified, three (3) vacancies, nine (9) names, etc.
3. It is understood and agreed that the Police Chief has the sole right to select any of the certified applicants in compliance with the Rules for Personnel Administration and applicable law.

ARTICLE LII - SEVERABILITY

~~52.151.1~~—In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

ARTICLE LIII - TERM

~~53.152.1~~ The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and POAL agree that the term is January 1, ~~2015~~2014 through December 31, ~~2014~~2017.

~~53.252.2~~ The POAL and City mutually agree to commence negotiations for a new contract no later than three (3) months prior to the expiration of this MOU.

POLICE OFFICERS' ASSOCIATION OF LODI

CITY OF LODI

~~Kevin Kent~~Nathan Woods, POAL President

Stephen Schwabauer, ~~Interim~~ City Manager

Date _____

Date _____

~~Eric Shaw~~Nathan Woods, Police Officer Negotiator

Jordan Ayers, Deputy City Manager

Date _____

Date _____

Ryan La Rue, Police Officer Negotiator

Adele Post, Human Resources Manager

Date _____

Date _____

MASTAGNI HOLSTEDT Et Al. _____

APPROVED AS TO FORM:

Dennis Wallach, Chief Negotiator

Janice D. Magdich, ~~Interim~~ City Attorney

Date _____

Date _____

ATTEST:

Jennifer M. Ferraiolo, City Clerk

EXHIBIT A

Salary Effective ~~January 1, 2014~~ January 5, 2015

Occupation Title	OCC	Step A	Step B	Step C	Step D	Step E
Police Corporal	310	5613.09	5893.75	6188.44	6497.86	6822.75
Police Officer	306	5295.37	5560.14	5838.15	6130.06	6436.56
Police Officer Trainee	307	4572.86	4801.50	5041.58	5293.66	5558.34

<u>Occupation Title</u>	<u>Job Code</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
<u>Police Corporal</u>	<u>6220</u>	<u>5781.48</u>	<u>6070.56</u>	<u>6374.09</u>	<u>6692.80</u>	<u>7027.43</u>
<u>Police Officer</u>	<u>6210</u>	<u>5454.23</u>	<u>5726.94</u>	<u>6013.29</u>	<u>6313.96</u>	<u>6629.66</u>
<u>Police Officer Trainee</u>	<u>6200</u>	<u>4710.05</u>	<u>4945.55</u>	<u>5192.83</u>	<u>5452.47</u>	<u>5725.09</u>

ATTACHMENT A

**SIDE LETTER RE PROMOTIONAL EXAMINATIONS
BETWEEN
THE CITY OF LODI AND THE POLICE OFFICERS ASSOCIATION OF LODI**

On promotional examinations for positions represented in this bargaining unit (Police Corporal) the certification process will be as follows:

- ~~1. For one vacancy, the top five highest scoring applicants will be certified to the Police Chief for a hiring interview.~~
- ~~2. In the event of more than one vacancy at the same time, two additional names will be certified for each additional vacancy. For example, if there are two vacancies, seven (7) names shall be certified, three (3) vacancies, nine (9) names, etc.~~
- ~~3. It is understood and agreed that the Police Chief has the sole right to select any of the eligibles certified to him in compliance with the Rules for Personnel Administration and other applicable law.~~

Dated: _____

Dated: _____

Joanne M. Narloch, Human Resources Director
City of Lodi

Sierra Brucia, President
Police Officers Association of Lodi

RESOLUTION NO. 2015-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE MEMORANDUM OF UNDERSTANDING WITH THE
POLICE OFFICERS ASSOCIATION OF LODI, EFFECTIVE
JANUARY 1, 2015 THROUGH DECEMBER 31, 2017 AND
FURTHER APPROPRIATING FUNDS

=====

WHEREAS, City employees have seen a net pay decrease as a result of concessions agreed to during the Great Recession; and

WHEREAS, most City employees have not seen an increase in base pay since 2008; and

WHEREAS, the City is now in a position to grant a small base pay increase as partial restoration of prior concessions; and

WHEREAS, it is recommended that Council approve revisions to the Memorandum of Understanding with the Police Officers Association of Lodi as follows, as a partial restoration of prior concessions:

- 3 percent increase to base salary, effective the first full pay period in 2015; 2 percent increase to base salary, effective the first full pay period in 2016; and a 2 percent increase to base salary, effective the first full pay period in 2017;
- Add Master Officer Incentive pay of 3 percent;
- Increase the Explosive Ordinance Detail Incentive pay from 2 percent to 4.5 percent;
- Increase the Canine Incentive pay from \$101.50 per pay period to \$152.25 per pay period;
- Change the Motors Incentive pay from 1.2 hours of overtime per week to 4.5 percent; and
- Officers assigned as School Resource Officers will receive a Holiday bank of 135 hours consistent with all other Officers.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the attached Memorandum of Understanding (Exhibit A) between the City of Lodi and the Police Officers Association of Lodi, effective January 1, 2015 through December 31, 2017; and

BE IT FURTHER RESOLVED that funds in the amount of \$426,611 be appropriated, as shown on the attached Appropriation Request Form.

Date: July 15, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the Lodi City Council in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

MEMORANDUM OF UNDERSTANDING

CITY OF LODI

AND

POLICE OFFICERS ASSOCIATION OF LODI

JANUARY 1, 2015 – DECEMBER 31, 2017

TABLE OF CONTENTS

Page #

CHAPTER 1 – COMPENSATION & WORKING CONDITIONS

Article I	Salary	4
Article II	Hours of Work	4
Article III	Overtime	6
Article IV	Rest and Meal Period	6
Article V	Compensatory Time	7
Article VI	Above Class Pay	8
Article VII	Education Incentive	8
Article VIII	Bilingual Officers	8
Article IX	Arson/Explosive Ordinance Incentive	8
Article X	Motor Officers	8
Article XI	Canine Duty	9
Article XII	Police Corporals	10
Article XIII	Master Officer	10
Article XIV	Special Assignment Pay	11
Article XV	Call Back	11
Article XVI	Court Time	12
Article XVII	Additional Compensation/Loyalty Program	12
Article XVIII	Uniform Allowance	13
Article XIX	Safety Committee	14

CHAPTER 2 – LEAVES

Article XX	Catastrophic Leave	14
Article XXI	Family Medical Leave	14
Article XXII	Bereavement Leave	15
Article XXIII	Holidays	15
Article XXIV	Leaves of Absence	16
Article XXV	Sick Leave	16
Article XXVI	Vacation Leave	17
Article XXVII	Vacation Leave	17

CHAPTER 3 – INSURANCE BENEFITS AND RETIREMENT

Article XXVIII	Cafeteria Plan	18
Article XXIX	Chiropractic Insurance	18
Article XXX	Dental Insurance	18
Article XXXI	Flexible Spending Account	18
Article XXXII	Vision Insurance	18
Article XXXIII	Medical Insurance	19
Article XXXIV	Reserved	20
Article XXXV	Deferred Compensation	19
Article XXXVI	Life Insurance	20

Article XXXVII	Public Employees' Retirement System	20
Article XXXVIII	Sick Leave Conversion Program	21
Article XXXIX	Survivors Benefits	23
Article XL	Tuition Reimbursement	24

CHAPTER 4 – ASSOCIATION / CITY ISSUES

Article XLI	Association Time	24
Article XLII	Beneficial Pay Practice	24
Article XLIII	Changes in the MOU	24
Article XLIV	City Rights	25
Article XLV	Concerted Activities	25
Article XLVI	Employee Representation	26
Article XLVII	Employee Rights	28
Article XLVIII	Grievance Procedure	29
Article XLIV	Layoff Procedure	34
Article L	Probationary Period	35
Article LI	Promotional Examinations	35
Article LII	Severability	36
Article LIII	Term	36

Exhibit A – Salary Schedule

AND
POLICE OFFICERS' ASSOCIATION OF LODI
2015 - 2017

CHAPTER 1 - COMPENSATION & WORKING CONDITIONS

ARTICLE I - SALARY

- 1.1 The Salary Schedule for members of the POAL will be as set forth in Exhibit A.
- 1.2 Although the City is not required to perform a survey during the term of this MOU, the parties agree that if a survey is performed, the fifteen cities to be surveyed shall be: Chico, Clovis, Davis, Fairfield, Merced, Manteca, Modesto, Redding, Roseville, Stockton, Tracy, Turlock, Vacaville, Visalia and Woodland.
- 1.3 The City shall provide a cost of living adjustment (COLA) of three (3.0) percent effective the first full pay period that begins after January 1, 2015.

For calendar year 2016, the City shall provide a COLA of two (2.0) percent effective the first full pay period that begins after January 1, 2016.

For calendar year 2017, the City shall provide a COLA of two (2.0) percent effective the first full pay period that begins after January 1, 2017.

ARTICLE II - HOURS OF WORK

- 2.1 Patrol Officers, Motor Officers, and Officers assigned to Investigations shall work a 4/10 plan. School Resource Officers shall work a 9/80 plan; however, the City and the POAL both mutually agree that School Resource Officers may be temporarily assigned to 4/10 schedule during the extended school breaks, between school calendar years, or at the needs of the Department.
- 2.2 The work period for POAL employees will consist of 7 consecutive days. This work period shall be from Monday through Sunday.
- 2.3 It is mutually agreed that the City has the sole right to assign personnel, to establish hours of work and work schedules, to make changes to those schedules, to schedule employees

off on compensatory time, and to schedule holidays and vacations, all depending on the "needs of the service".

2.4 The City and the POAL mutually agree that split shifts are very stressful and may cause health problems. Consequently, officers shall not work split shifts except during cases of an emergency nature. Specifically and for training purposes only, this provision does not apply to the Canine Officer assigned to Graveyard with Thursdays and Fridays off in order to better facilitate training.

2.5 All employees in the classification of Police Officer Trainee, Police Officer, and Police Corporal, shall select annually, beginning in January, for at least a one year period, their preferred days off sequence, holidays, and vacation time off on the basis of their seniority and the “needs of service” of the department.

Employees assigned to patrol shall be allowed to pick their days off sequence, shift, beat, holidays, and vacation time off based on their departmental seniority. Police Corporals shall be allowed to pick their days off sequence and shift based on their seniority within the rank of Corporal. The selections for beat, holidays, and vacation time off shall be based on their departmental seniority. Departmental seniority shall be defined as the total time in service as a member of the POAL bargaining unit. Should a member of the POAL leave membership for any reason and return to membership within 12 months, seniority shall be calculated as if the member never left the bargaining unit.

K-9 officers assigned to patrol shall pick their days off sequence and shift based on the needs of service for the department. The selections for beat, holidays and vacation time off will be based on their departmental seniority.

Employees assigned to a special assignment which includes Investigations, Traffic, Bicycle Patrol, and School Resource shall pick their days off sequence, vehicle assignment, holidays and vacation time off based on their seniority within their respective unit.

Nothing in this section prevents the department from assigning personnel based on the needs of service for the department as determined in the sole discretion of the Police Chief.

ARTICLE III - OVERTIME

3.1 Overtime work may be required of any employee in order to meet special or unusual needs of service beneficial to the City and community. All overtime work requires the prior approval of a supervisor. Overtime is defined as the number of hours worked in excess of the normal weekly schedule of work hours illustrated below:

Work Schedule

10 hours per day, 4 days per week

9 hours per day, 9 days per period

Overtime

over ten hours in a day

over nine hours in a day

On the 9/80 work schedule there is one day employees' work an eight (8) hour day. For purposes of overtime eligibility, hours worked in excess of eight (8) hours on this day shall be considered overtime.

3.2 Overtime hours shall be reported and paid at the rate of one and a half times regular pay, or any greater amount as required by law, in quarter hour increments with less than 7.5 minutes rounded down to the next quarter hour increment and over 7.5 minutes rounded up to the next quarter hour increment.

ARTICLE IV – REST AND MEAL PERIOD

4.1 The intent of the rest period is to ensure that the officer is adequately rested for his/her assigned work shift.

a. Officers will receive a continuous eight hour rest period immediately preceding or immediately following their scheduled court appearance or other departmental assignment(s), if less than eight hours has elapsed during:

- 1) the time period that officer's regular work shift ends and his/her scheduled appearance/ assignment time; or
- 2) the time period that officer is dismissed and his/her regular work shift begins.

This rest period will not be charged to the officer.

- b. If an officer receives approval to take the remaining portion of his or her scheduled shift off, the officer's leave balances will be charged for the entire shift (as if no rest period has occurred).
 - c. The rest period does not apply when an officer is scheduled for court or appearance/ assignment the day immediately following a day off.
- 4.2 If an officer is called to duty or remains on duty for any reason within that rest period or into his/her normal shift, he/she shall be compensated at 150% of his/her normal rate of pay.
- 4.3 Officers assigned to work a 4/10 or 9/80 schedule will receive a one (1) hour paid meal period when operationally feasible. Officers may elect to utilize the one (1) hour paid meal break to work out in the gym on the second floor of the Police Department. Officers who choose to work out in the department gym must follow the guidelines as set forth in the Department's Lexipol meal break policy.

ARTICLE V - COMPENSATORY TIME

- 5.1 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour of overtime worked.
- 5.2 No more than 240 hours of compensatory time may be carried on the books at any time.
- 5.3 An employee's decision to elect compensatory time instead of overtime pay is irrevocable.
- 5.4 Upon separation, the employee will be paid at the employee's current hourly rate or the average of the last three years, whichever is higher, for the remaining compensatory balance.
- 5.5 Bargaining unit members shall be allowed to cash out up to a maximum of 100 hours of earned compensatory time off twice per year, in April and October.

ARTICLE VI - ABOVE CLASS PAY

6.1 All employees in this bargaining unit who are required to work in a higher classification shall be paid an additional 5% of the employee's normal salary including any allowance or education incentive pay currently enjoyed by the employee if the position is vacant for more than 10 consecutive calendar days because of vacancy, illness, or industrial or non-industrial accident.

ARTICLE VII - EDUCATION INCENTIVE

7.1 Education incentive pay shall be as follows:

Bachelor's Degree	\$200.00 per month
Basic POST Certificate	\$50.00 per month
Intermediate POST Certificate	\$150.00 per month
Advanced POST Certificate	\$300.00 per month

No employee shall be entitled to additional pay provided in this paragraph until completion of the appropriate probationary period. The POST Incentives set forth in this clause are paid at the highest level certificate held (i.e. they are not stackable).

ARTICLE VIII - BILINGUAL OFFICERS

8.1 Employees designated by the Police Chief and approved by the City Manager who have passed a bilingual proficiency examination administered by the City shall receive a monthly bilingual allowance of \$150.00. Officers shall not be eligible for the bilingual allowance while attending a POST Basic Academy.

ARTICLE IX - ARSON / EXPLOSIVE ORDINANCE INCENTIVE

9.1 Officers performing the Arson / Explosive Ordinance function shall be paid an incentive of an additional 4.5% of the employee's base salary.

ARTICLE X - MOTOR OFFICERS

10.1 Officers assigned to the Motors Unit shall be paid an incentive of 4.5% of the employee's base salary. It is mutually agreed this incentive fully compensates the officer for the time taken for regular pre-shift preparation, washing, minor maintenance, transportation of the vehicle to repair facilities within the City of Lodi, and any permitted transportation of the

motorcycle to and from home. It is also mutually agreed that assignments to the Motor Unit are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

ARTICLE XI - CANINE DUTY

11.1 The pay provisions for canine duty shall be regulated only by the following:

- a. The City and POAL estimate that the time canine officers spend in all aspects of the care, feeding, exercise, transport to/from work, and maintenance of their canines, on a weekly basis, is seven (7) hours, payable at the federal minimum wage overtime rate. They agree that any time spent in excess of such time is not reasonably necessary and is accordingly not authorized. The full compensation due officers for the performance of their canine responsibilities, on a bi-weekly basis, is \$152.25. In the event of a change in federal minimum wage, the parties agree to re-open this section to adjust full compensation for these duties such that full compensation for these duties will equal at least 4.5% of base pay. Both parties believe that this agreement complies with the requirements of the Fair Labor Standards Act. For purposes of calculating overtime for work performed by police officers in their capacity as police officers, the reference above shall be part of the base salary rate.

11.2 It is mutually agreed that assignments to the Canine program are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

- 11.3 Officers assigned to the Canine program shall continue in this assignment for a period of not more than five years and shall be compensated at the officer's regular rate of pay including appropriate incentive pay(s). Upon completion of the fifth year, the officer's performance shall be evaluated, along with any other submitted applications of interest for the position of Canine, for the purpose of filling the position in the program. If no other applications of interest have been submitted for the position in the Canine program, the officer holding the position may be extended for a period of two more years whereupon another evaluation period, previously mentioned, shall commence. (The City reserves the right to conduct annual evaluations on Canine Officers.)

ARTICLE XII - POLICE CORPORALS

- 12.1 Corporals shall wear the insignia (two stripes) currently in use for the Field Training Officer and they shall receive an allowance equal to 6.0% of their normal base pay. It is mutually agreed that part of the Corporal duties are those of supervision in the absence of the Sergeant. It is also mutually agreed that Corporals shall not accept, investigate, or in any form, handle any matter of discipline.

ARTICLE XIII - MASTER OFFICER

- 13.1 POAL members who have completed 8 years of sworn service (minimum of one year of service with the City of Lodi for Laterals), who possess their Advanced POST certificate, and who have successfully passed a written examination administered by the Human Resources Division shall be paid an incentive of 3% of the employee's base salary and be designated as a Master Officer.

The City and the POAL both mutually agree that the written examination will be developed by the Human Resources Division and in collaboration with the Police Chief or designee(s).

The first Master Officer written examination shall be administered to all eligible POAL members no later than September 1, 2015. Upon successful development and administration of the first written examination, this contingency shall sunset.

- 13.2 Master Officers may be considered for Field Training Officer (FTO); however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid

an incentive of 3% of the employee's base salary when assigned as an FTO. Corporals will not be eligible for this additional 3% FTO incentive.

- 13.3 Master Officers may be considered for Field Supervisor; however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of 3% of the employee's base salary when assigned as a Field Supervisor. Corporals will not be eligible for this additional 3% Field Supervisor incentive.

ARTICLE XIV - SPECIAL ASSIGNMENT PAY

- 14.1 Officers assigned to Investigations and SWAT shall receive an allowance equal to 4.5% of their normal base pay. It is mutually agreed that assignments to Investigations and SWAT are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

ARTICLE XV - CALL BACK

- 15.1 Officers called to appear for work within two hours of the beginning of a shift, or one hour after the shift, shall receive overtime at the rate of time and one-half. Such appearances shall be reported as contiguous shift extensions. If the appearance begins more than two hours before or more than one hour after the scheduled shift, the employee will be credited a minimum of three hours at the time and one-half rate.

When an officer is ordered back to work on an "as soon as possible" basis and reports within thirty minutes, the officer shall be compensated from the time of the call.

ARTICLE XVI - COURT TIME

- 16.1 Police Officers scheduled to make court appearances during off-duty hours, on scheduled days off, or when on graveyard shift, shall be compensated at the rate of time and one-half for actual hours involved in such appearances. In no event shall they be paid for less than four hours.
- 16.2 Court appearances which are within two hours of the beginning of a shift or within one hour of the end of the shift shall be compensated at the time and one-half rate. Such appearances shall be reported as contiguous shift extensions.
- 16.3 Cancellation of scheduled appearance must be made at least two hours before said scheduled appearance or the minimum four hours shall be paid.
- 16.4 Officers who receive a subpoena to appear in court, shall notify the Watch Commander of the appearance date and time in order to provide the Watch Commander time to review the schedule to determine if rest period time is required, or additional staff will be needed.

ARTICLE XVII - ADDITIONAL COMPENSATION/LOYALTY PROGRAM

- 17.1 After completing ten years of service with the Lodi Police Department, employees shall receive an annual loyalty compensation amount of \$1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive an annual loyalty compensation amount of \$3,000 on November of the year following completion of twenty full years of service and each year thereafter.

For the purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) shall receive the loyalty compensation associated with their years of service with the Lodi Police Department.

The Incentive in this Article is limited to employees hired prior to July 10, 2012.

ARTICLE XVIII - UNIFORM ALLOWANCE

- 18.1 The uniform allowance shall be \$950 annually paid bi-weekly in the employee's normal payroll check.
- 18.2 The City agrees to pay a sum of \$1,200 to offset the initial uniform and equipment costs required for a Motor Officer and to pay an additional \$800 annual uniform allowance for those officers assigned to Motors, paid bi-weekly in the employee's normal payroll check.
- 18.3 If a Motor Officer fails to complete an 18-month assignment he/she agrees to reimburse the City on a prorated basis for each month not completed. If he/she is relieved for lack of performance before the minimum 18 months, he/she shall also reimburse the City on the same prorated basis. If he/she completes the 18-month assignment the equipment becomes the officer's sole possession.
- 18.4 The City agrees to provide each officer a set of "Threat Level 3-A" body armor. When an employee is on patrol he/she agrees to wear his/her body armor.
- a. In that the City and POAL agree that officer safety is paramount, the City agrees to replace all ballistic vests prior to the end of the fifth year from the date of manufacture.
 - b. The City agrees to furnish each officer an SL-20 flashlight by Streamlight. The City agrees to exchange the flashlight battery and flashlight bulb upon request, but no more often than once in any twelve-month period.
- 18.5 Uniforms and safety equipment damaged in the line of duty shall be replaced or repaired by the City.
- 18.6 Upon appointment to the classification of Police Officer or Police Officer Trainee, the individual will be given an amount equal to the annual uniform allowance for the sole purpose of purchasing City approved uniforms and equipment. The employee will not receive a bi-weekly uniform allowance until after 12 months of employment.

If the employee's employment is terminated for whatever reason during the first 12 months of employment, the entire uniform allotment will be deducted from the employee's severance pay.

- 18.7 If an employee is terminated, all remaining bi-weekly uniform allowance payments will be forfeited as of the termination date.
- 18.8 The City and POAL will continue to work together on the concept of a Quarter Master uniform program and if mutually agreeable the program may be implemented through a side-letter agreement or contract amendment.

ARTICLE XIX - SAFETY COMMITTEE

- 19.1 The City and the POAL are firmly committed to maintaining a safe and healthful working environment and both jointly are committed to ensuring the safety and health of City employees and provide a safe and healthful work environment.

In order to carry out this goal, a department safety committee shall be formed whose duty it shall be to ensure that work place hazards are identified and abated in a timely manner. This safety committee shall be chaired by the "Administrative Sergeant" and shall consist of three (3) Police Officers, one (1) Lieutenant, one (1) Captain, and three (3) non-sworn members of the department.

CHAPTER 2 - LEAVES

ARTICLE XX- CATASTROPHIC LEAVE

- 20.1 Catastrophic Leave is available to employees in accordance with the City's current Catastrophic Leave of policy.

ARTICLE XXI - FAMILY MEDICAL LEAVE

- 21.1 Family Medical Leave is available to employees in accordance with the City's current Family Medical Leave policy.

ARTICLE XXII - BEREAVEMENT LEAVE

22.1 Bereavement Leave is available to employees in accordance with the City's current Bereavement Leave policy.

ARTICLE XXIII - HOLIDAYS

23.1 Effective January 1 of each year, each represented member of the POAL shall receive 135 hours of holiday leave which may be taken on any day of the week depending on the needs of the service. Holiday Leave may be taken in hourly increments.

23.2 Police Officers assigned to patrol shall pick holidays by seniority, in one-shift increments, depending on the needs of the service. There shall be no fixed holidays during the year with the exception that the current practice of Thanksgiving, Christmas, and New Year's holidays be fixed (i.e. - the actual date on which the holiday falls is recognized and therefore taken) for officers assigned to Motors shall be continued.

Employees hired or separating from service mid-year shall be credited with holiday leave on a prorated basis with the exception that the three holidays fixed for Motor Officers shall not be prorated.

23.3 Officers assigned to Investigations shall observe the following holiday schedule, unless the needs of the department dictate otherwise:

New Year's Day	January 1
Martin Luther King, Jr. Day	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 st Monday in September
Thanksgiving Day	4 th Thursday in November
Day after Thanksgiving	Friday following Thanksgiving
Afternoon of Christmas Eve	half day on December 24
Christmas	December 25

If one of these days falls on a Saturday, the preceding Friday shall be observed, and if one of these days falls on Sunday, the succeeding Monday shall be observed. Officers may use their remaining holiday leave at a time mutually agreeable to the officer and his/her supervisor.

Employees hired mid-year shall be credited with the remaining fixed holidays in the calendar year, plus one additional holiday for each three-month period remaining in the year. Employees separating from service mid-year shall have the remaining fixed holidays in the calendar year plus one additional holiday for each three-month period remaining in the year deducted from their holiday leave balances.

- 23.4 Bargaining unit members shall be allowed to cash out holiday time in April and October. If holiday time is not used by the end of the calendar year, it will be cashed out to the employee.

ARTICLE XXIV - LEAVES OF ABSENCE

- 24.1 Leaves of Absence are available to employees in accordance with the City's current Leave of Absence policy.

ARTICLE XXV - SICK LEAVE

- 25.1 The objective of this section is to provide methods of furthering the health and general welfare of City employees, as well as ensuring maximum and reasonable job attendance. Sick leave should not be viewed as a right to be used at the employee's discretion, rather it is a benefit of paid time away from the work duties in the event of one of the following circumstances:

- a. Actual illness or injury of the employee.
- b. Medical or dental appointments of employee, or employee's immediate family members, when such appointments cannot be arranged during off-duty hours, and when the employee's family member is incapable of independently attending such appointments.
- c. Where the employee's medical attention to an immediate family member is required.
- d. Emergency leave to the death or imminent death of family members.

- 25.2 Effective the pay period beginning October 25, 2004, all employees shall accumulate sick leave at the rate of 5.54 hours per pay period (144 hours per year).

- 25.3 Sick leave may be accumulated to an unlimited amount.

ARTICLE XXVI - VACATION LEAVE

26.1 Vacation accruals shall be as follows:

0-5 years	3.08 hours per pay period
6-11 years	4.62 hours per pay period
12-14 years	5.24 hours per pay period
15-20 years	6.16 hours per pay period
21 years	6.47 hours per pay period
22 years	6.78 hours per pay period
23 years	7.09 hours per pay period
24 years	7.40 hours per pay period
25 years	7.71 hours per pay period

26.2 During the first continuous 12 months of employment, vacation days shall be earned but may not be taken. An employee who terminates employment for any reason during the first 12 months of employment shall be entitled to cash out of accrued and unused vacation leave.

26.3 At the completion of 12 continuous months of employment, the employee is eligible to take his/her accrued vacation leave in accordance with department policy.

26.4 The maximum amount of unused vacation hours that an employee may accrue, at any given time is twice the employee's annual vacation entitlement. Whenever an employee's unused, accrued vacation has reached this maximum accrual amount, the employee shall stop accruing any additional vacation. Accrual will automatically resume once the employee uses some vacation and the accrual balance falls below the maximum accrual amount.

Under extenuating circumstances, requests to accrue vacation leave over the maximum may be authorized by the City Manager. For all other issues regarding Vacation Leave refer to the City's Policy on Vacation Leave.

26.5 All persons hired after October 10, 1994, shall only accrue a maximum of 6.16 hours of vacation per pay period.

26.6 Employees shall be eligible to annually cash out all accrued vacation hours in excess of 80 hours in October of the calendar year.

ARTICLE XXVII - RESERVED

CHAPTER 3 - INSURANCE BENEFITS & RETIREMENT

ARTICLE XXVIII - CAFETERIA PLAN

28.1 The City intends to propose a cafeteria based benefit program that would incorporate but not be limited to Medical, Dental, Visions, Chiropractic and Life Insurance. The above terms of this Agreement will be reopened for negotiation upon the City's presentation of a draft plan. The City will form a committee, comprised of one member from each Bargaining Unit, along with City staff to discuss the contents of said cafeteria plan. The City's proposed cafeteria plan will offer substantially the same or better benefits to those currently received by unit members.

ARTICLE XXIX - CHIROPRACTIC INSURANCE

29.1 Chiropractic services may be received by employees and dependents. This benefit allows up to a maximum of 40 visits per calendar year. Co-payments for services are \$10.00.

ARTICLE XXX - DENTAL INSURANCE

30.1 The City agrees to provide a dental plan equivalent to the Stanislaus Foundation for Medical Care dental plan (group number 5110) to all employees and their eligible dependents. The City reserves the right to select any dental administrator.

30.2 The City shall pay the full cost of the dental premium for the employee and one-half the premium for eligible dependents for the term of this agreement.

ARTICLE XXXI - FLEXIBLE SPENDING ACCOUNT

31.1 Members of this unit are eligible to participate in the City's Flexible Spending Account Program which allows employees to pay for unreimbursed medical costs, insurance premiums, and child care costs to be paid with pre-taxed dollars.

ARTICLE XXXII - VISION INSURANCE

32.1 The City agrees to provide, at its expense, a Vision Care Plan equivalent to the VSP Plan B with a \$25.00 deductible for employee and eligible dependents. The entire premium shall be paid by the City. The City reserves the right to select any vision carrier.

ARTICLE XXXIII- MEDICAL INSURANCE

33.1 The City shall offer medical insurance equivalent to the CalPERS Health Program. If no equal alternative is readily available, the City and the POAL will meet to negotiate alternatives promptly. To the extent the provider discontinues or changes the medical plan coverage, these changes are not the responsibility of the City. The City shall however, make every effort to retain the medical plan as agreed to by the POAL and City.

33.2 All employees are offered medical insurance for themselves and eligible dependents through CalPERS medical plans. City shall pay 100% of the premium for employee's family category (Family, Employee + 1, Employee Only) for the lowest cost PERS HMO available in Lodi's geographical area (excluding Porac) effective January 1, 2014.

If an employee waives medical insurance through the City, the employee may at their option take the following in cash or deposited into their deferred compensation account:

- \$692.81 per month for Family
- \$532.92 per month for Employee + 1
- \$305.22 per month for Employee Only

In order to qualify for this provision, proof of group insurance must be provided to the City.

Effective January 1, 2014, City will pay a maximum of the following for each family category:

- \$1,709.06 per month for Family
- \$1,314.66 per month for Employee + 1
- \$657.33 per month for Employee Only.

If employee selects a higher cost plan, employee will pay the difference as a payroll deduction.

POAL shall allow a number equal to half of their membership of City employees to become associate members of POAL solely to allow access to health plans not otherwise available to non-public safety members. Associate memberships shall be allotted on a first-come, first-served basis.

33.3 Employees shall be eligible for medical insurance the first day of the month following the date the employee becomes a full-time probationary employee of the City.

- 33.4 Employees who retire on a service retirement shall have the option of purchasing, at the employee's cost, additional medical insurance sufficient to reach age 65.
- 33.5 The City will make every effort to keep the POAL informed early of changes to coverage, premiums, or policies, and will notify the POAL of any such proposed change within ten days of receiving such notice. This includes forwarding copies of supporting documents, reports and periodic satisfaction surveys to the POAL within ten days of receipt of such supporting documents, reports and periodic satisfaction surveys.

ARTICLE XXXIV - RESERVED

ARTICLE XXXV - DEFERRED COMPENSATION

- 35.1 Employees may voluntarily participate in the City of Lodi's Deferred Compensation Plan as allowed by IRS Code 457(k).
- 35.2 The City shall match contributions by an employee to a deferred compensation program up to a maximum 3.0% of the employee's gross salary.

ARTICLE XXXVI - LIFE INSURANCE

- 36.1 The City agrees to provide each covered member a \$25,000 accidental death policy in addition to any other life insurance policy or statutory payments that may be due to an employee in the event of death resulting from a line-of-duty injury.

ARTICLE XXXVII - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

- 37.1 The City of Lodi provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 who are deemed "classic" employees by PERS:

Public Safety

- 3% @ 50 plan
- 1959 Survivors Benefit – Third Level

- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Single Highest Year

37.2 For employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

Public Safety

- 3% @ 55 plan
- 1959 Survivor Benefit – Third Level
- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest Three Year Average

37.3 The City agrees to provide the following PERS retirement program and to pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

Public Safety

- 2.7% @ 57 plan
- 1959 Survivor Benefit – Third Level
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest Three Year Average
- Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

ARTICLE XXXVIII - SICK LEAVE CONVERSION PROGRAM

38.1 This section applies to all employees hired prior to October 10, 1994.

For all unused sick leave, a represented employee with ten years of employment with the City shall receive medical insurance coverage upon retirement (but not upon resignation or termination) on the following basis:

OPTION #1 – “Bank”

Fifty percent (50%) of the dollar value of sick leave will be placed into a "bank" to be used for medical insurance premiums for the employee and dependents. For each year that an employee has been employed in excess of 10 years, two and one-half percent (2.5%) will be added to the fifty percent (50%) for valuing the size of the bank.

For example:

Officer Smith retires with 20 years of service and 1800 hours of sick leave. His/her monthly salary is \$3,412.47 (\$19.61 per hour).

$$1800 \times .75 \times \$19.61 = \$24,473.50$$

This amount will be reduced each month by the current premium for the employee and dependent until the balance is gone. In the event the retiree dies the remaining bank will be reduced by fifty percent (50%) and the survivor may use the bank until the balance is gone or may cash out the remaining balance.

OPTION #2 – “Conversion”

The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month's premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement, subject to the cap shown in Section 33.2 of this MOU. Any differences created by an increase in premiums must be paid for by the employee.

For example:

Officer Smith retires with 25 years of service and 1800 hours of unused sick leave:

$$\begin{aligned} \text{Sick Leave Hours} &= 1800 \text{ divided by } 8(\text{coverage factor})=225 \\ &225 \text{ times } 87.5 (\% \text{ of coverage})=196.88 \end{aligned}$$

196 divided by 12(yrs) = 16.4 total years of coverage

OPTION #3 – “Cash-Out”

A retired employee may choose to receive a cash settlement for unused sick leave at the rate of \$.30 on the dollar. Under this provision, the employee's sick leave balance at the time of retirement shall be converted to dollars at the employee's current pay rate.

OPTION #4 – “Service Credit”

Employees may elect to add PERS credit for unused sick leave per Government Code Section 20868.8. This benefit is available to all employees regardless of the date hired; however, it is the only sick leave conversion benefit available to employees hired after October 10, 1994. It is agreed that eight hours equals one day for purposes of determining days creditable. If an eligible employee opts to utilize the provisions of Section 37.1, the City will report they have zero hours of unused sick leave.

- 38.2 In the event an active employee dies before retirement and that employee is vested in the sick leave conversion program (10 years) the surviving dependents have an interest in one-half the value of the bank as calculated in option #1.
- 38.3 In accordance with the sick leave conversion provisions, a surviving spouse may at his/her own expense, continue medical insurance at the employee only premium for the same period as if the employee had not died.
- 38.4 Out of area retirees may receive reimbursement for medical insurance premiums up to the City's liability as specified in Section 38.1 of this Article.

ARTICLE XXXIX - SURVIVORS BENEFITS

- 39.1 The City shall pay 100% of the premiums for health and dental benefits described in this MOU for the surviving spouse and any minor children of any member of the POAL who is killed or dies during the performance of official duties. Premiums will be paid at the current rate in effect at the time of the member's death. Premiums will continue to be paid by the City until such time as the surviving spouse is covered by other insurance or remarries, and for dependent children of the member killed in the line of duty until such time as either:

- (1) the children become adults, or

- (2) the children are covered under other alternative medical coverage provided by and through the surviving spouse or the person who he/she remarries.

39.2 Survivor benefits (listed in 4856 of the California Labor Code) do not apply to Police Officer Trainee until such time that he/she is sworn pursuant to Article 20, Section 3

39.3 Disability benefits (listed in 4850 of the California Labor Code) shall not apply to until such time that he/she is sworn pursuant to Article 20, Section 3.

ARTICLE XL - TUITION REIMBURSEMENT

40.1 Tuition Reimbursement is available to employees in accordance with the City's current Tuition Reimbursement policy

CHAPTER 4 - ASSOCIATION/CITY ISSUES

ARTICLE XLI - ASSOCIATION TIME

41.1 Individual bargaining unit members may donate from their accrued vacation leave, holiday leave, or compensatory time off up to a total of 800 hours per calendar year for Association business directly related to representation of Lodi Police Officers. The President of the POAL may designate members of the Association to utilize this time. Only one member at a time may be absent unless mutually agreed that additional members may be absent. Five days advance notice of use of time shall be given. The time may be used only in hourly increments with a two-hour minimum.

41.2 The POAL has the right to purchase additional time at the rate of 150% of base pay.

41.3 Except in cases of an emergency, the President of the POAL shall be granted one day per week wherein half of one day's shift per week may be used for the performance of the duties of the office of President of the POAL. This time shall be scheduled at a time mutually agreed upon between the POAL President and the Police Chief or his designee. Such time shall be charged to the Association time bank.

ARTICLE XLII - BENEFICIAL PAY PRACTICE

42.1 If the department, in its sole discretion, wishes to implement a new beneficial pay practice, it will notify the POAL and provide an opportunity to meet and confer.

ARTICLE XLIII - CHANGES IN THE MEMORANDUM OF UNDERSTANDING

43.1 The City and the POAL agree to reopen this MOU and to renew Meeting and Confering on the subjects set forth herein during the term of this MOU in the event that any provision of this MOU is modified by statute or by a competent order of a court in such a way as to affect either the employees or the City. In such event, all remaining provisions of the MOU shall continue in full force and effect unless and until they are also modified by statute or competent order of a court or agreement of the City and the POAL.

ARTICLE XLIV - CITY RIGHTS

44.1 It is further understood and agreed between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include but are not limited to, the exclusive rights to:

- Determine the mission of its constituent departments, commissions, and boards.
- Set standards of service.
- Determine the procedures and standards of selection for employment.
- Direct its employees.
- Maintain the efficiency of governmental operations.
- Determine the methods, means, and personnel by which government operations are conducted.
- Take all necessary actions to carry out its mission in emergencies.
- Exercise complete control and discretion and the technology of performing its work.

City rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to make and enforce standards of conduct and discipline, and to determine the content of job classifications; provided, however, that nothing herein may be read to extend the term of the MOU nor to supplement negotiations as a means for arriving at terms for a successor MOU.

ARTICLE XLV - CONCERTED ACTIVITIES

45.1 The POAL and employees agree that they will not engage in any strike, sympathy strike, slowdowns, work to rule, “blue flu”, or other concerted withholding of services. In the event of any such activity, the POAL will take any such activity to a cessation immediately. The association and all employees covered by this agreement acknowledge that any such activity by employees covered by this agreement is misconduct which may lead to discipline up to termination.

ARTICLE XLVI - EMPLOYEE REPRESENTATION

46.1 This Memorandum of Understanding (MOU) is entered into between representatives of the City of Lodi (City) and representatives of the Police Officers' Association of Lodi (POAL).

The parties hereto acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq. of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth herein.

Both parties each certify without reservation that an adequate opportunity has been afforded its bargaining representatives to propose and vigorously advocate all negotiable subject matter during the course of collective negotiations preparatory to signing this agreement. City will meet and confer before changing a policy or general order that is subject to meet and confer under the Meyers-Milias-Brown Act.

The terms and conditions of this MOU are applicable to Police Officer Trainee, Police Officer and Police Corporal.

It is mutually agreed that this document supersedes all previous MOU's and all practices not defined in this MOU.

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

The City and the POAL agree and understand that if any section of this MOU in any way conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure manual, City resolutions, or City ordinances, any ambiguity will be resolved in favor of the MOU language. If the MOU is silent on an issue, the applicable document (i.e. policy manual or rules for personnel administration) is controlling. State and Federal laws will be adhered to.

46.2 The City and the POAL mutually agree that the City shall grant dues deduction to City employees who are members of the POAL in accordance with the terms and conditions set forth in Section 4, Rule 2 of City of Lodi Resolution No. 3344 entitled "Adopting Rules and Regulations to Implement Provisions of the Employee-Employer Relations

Resolution." The POAL shall indemnify, defend, and hold the City harmless against any claims made and against any suit instituted against the City on account of check-off of said employee organization's dues. In addition, the POAL shall refund to the City any amounts paid to it in error upon presentation of supporting evidence. An authorization for payroll deductions may be canceled or modified upon written notice to the City and the Association before the 20th day of the month in which the cancellation is to become effective, subject to the provisions of this article. Any dues check-off cancellation or modification notice shall first be forwarded to the POAL for notation and then returned to Payroll prior to any change in a members dues check-off'.

- 46.3 The City shall make available a period of one hour to the association in each recruit class with an end toward education of each employee of the rights and benefits under the collective bargaining agreement, as well as other association benefits, and the responsibilities of the employee and the organization of the association with an end toward having an employee who would become a better association member and a better employee.
- 46.4 All new hires in the classification of Police Officer Trainee shall remain in this category until they have completed their field training program and have been certified to work as a Police Officer.
- 46.5 For purposes of continued certification of the POAL as the recognized employee organization for this unit, employees who are members or hereafter become members shall maintain membership with the POAL for the life of this MOU except that any unit employee may withdraw from membership not earlier than ninety days nor less than sixty days before the expiration of this MOU. Such withdrawal must be in writing and delivered to the POAL. A copy of the request shall be forwarded to the Finance Department upon receipt by the POAL.
- 46.6 The City agrees to recognize the POAL representatives for the purpose of representing members of the POAL on all matters relating to the administration of this MOU, and, upon the request of an employee, on adverse actions and other matters which may be or are on appeal in accordance with Article XLVII of this MOU.

ARTICLE XLVII - EMPLOYEE RIGHTS

- 47.1 The City agrees that all disciplinary actions shall be taken in a timely manner, recognizing that imposing discipline, grieving such discipline, investigations, and criminal proceedings may preclude timely action. This process also includes investigations of the complaint, recommending discipline to the office of the Police Chief, and the imposition of discipline.
- 47.2 The POAL retains the right to provide representation for employees in the classification of Police Officer Trainee, though it is acknowledged that prior to being sworn pursuant to Article 20, Section 3, that the Police Officers Procedural Bill of Rights is not applicable to those employees. The City and its employees agree that disciplinary actions involving employees in the classification of Police Officer Trainee, prior to being sworn, will continue to be handled in a manner consistent with other member of this bargaining unit.
- 47.3 It is understood by both parties that the POAL, in addition to any other rights herein specified, has the following rights:
1. To represent its members before the City regarding wages, hours, and other terms and conditions of employment.
 2. To receive timely written notice of changes to or adoption of any rule or regulation directly relating to wages, hours and other terms and conditions of employment.
 3. With an employee's written consent, an authorized POAL representative shall be permitted, upon request, to inspect the employee's official departmental personnel file during normal business hours. Such review shall not interfere with normal business of the Department.

The City agrees to recognize the POAL representatives for the purpose of representing employees on all matters relating to the administration of this MOU; and, upon the request of an employee on adverse actions and other matters which may be or are on appeal in accordance with Article XLVI of this MOU.

- 47.4 The City agrees to provide each represented employee with copies of special orders, general orders, training bulletins, departmental rules and regulations, and a copy of this MOU.
- 47.5 The City agrees not to interfere or in any way discriminate against an employee for exercising his/her right to belong to an employee organization or to exercise his/her rights under this MOU. The POAL similarly agrees that it will not interfere with or discriminate against employees for exercising rights to belong or refrain from belonging to, supporting, or participating in the activities of an employee organization.
- 47.6 Both the City and the POAL agree that no employee shall be subjected to any discrimination by the City or fellow employees in any matter relating to hiring, promotion, assignment, wages, or conditions of employment because of age, sex, creed, color, or national origin. Alleged discriminatory acts are subject to the City's Policy and Procedure regarding Discrimination, not the grievance procedure.

ARTICLE XLVIII - GRIEVANCE PROCEDURE

- 48.1 Intent and definitions of this section:
- a. This grievance procedure shall be used to process and resolve disputes regarding the interpretation or application of any of the terms and conditions of this MOU, Letters of Understanding, and formal interpretations and clarifications executed by the POAL and the City.
 - b. The intent of this procedure is to resolve grievances informally at the lowest possible level and to provide an orderly procedure for reviewing and resolving grievances promptly.
 - c. A grievance is a good faith complaint of one or a group of employees or a dispute between the City and the POAL involving the interpretation, application, or enforcement of the express terms of this MOU and other terms and conditions of employment and matters of discipline.
 - d. As used in this procedure, the term "party" means an employee, the POAL, the City, or their authorized representatives. The employee is entitled to representation through all the steps in the procedure.
 - e. As used in this procedure the term "working days" refers to Monday through Friday, excluding City-recognized holidays.

48.2 Grievance Procedure

- A. Grievances in General. An employee, individually or in representation of a group of employees, may complain to City management through the grievance procedure regarding any matter relating to that employee's wages, hours, or conditions of employment. A grievance may be either formal or informal. An informal grievance is a prerequisite to filing a formal grievance.

- B. Informal Grievance. An employee, individually or in representation of a group of employees, with a grievance shall first discuss the matter with his or her immediate supervisor within ten (10) working days of the matter complained of. The supervisor and the employee shall attempt to informally resolve the dispute. If this is not accomplished, the employee shall next discuss the matter with the next level of supervision within ten (10) working days of the unsuccessful discussion and so on, until the employee reaches the Police Chief. The decision of the Police Chief regarding an informal grievance shall be final unless the employee files a formal grievance. A request for the grievance to be presented in writing may be made at any supervisory level and shall be made prior to filing a formal grievance.

- C. Formal Grievance
 - 1. An employee, individually or in representation of a group of employees, who has a grievance which remains unresolved after utilizing the informal grievance procedure may file a formal grievance in writing. The employee shall file a formal written grievance with the City Manager or designee within ten (10) working days after the final decision on the informal grievance. The formal grievance shall contain all relevant information relating to the grievance which the employee wishes the City Manager to consider. The City Manager or designee shall meet with and respond in writing to the employee within ten (10) working days of the receipt of the grievance.

 - 2. A grievance may be appealed to arbitration. Only the POAL may appeal to arbitration, and must notify the City within ten (10) working days after the decision of the City Manager.

 - 3. Selection of Arbitrator. Within ten (10) working days after the request for arbitration is received by the City or at a date mutually agreed to by the

parties, the parties shall meet to select an impartial arbitrator. If no agreement is reached, the parties shall immediately and jointly request a panel of five arbitrators from the State Conciliation and Mediation Service and shall alternately strike names until one name remains. The order of striking shall be determined by lot.

48.3 Discipline

- A. Discipline in General. Causes for disciplinary action are specified in the Rules for Personnel Administration (RPA) and the Department's policy manual. Disciplinary action includes but is not limited to written reprimands, demotion, suspension, or discharge of the employee. The causes cited in the RPA and policy manual are for both specific and exemplary reasons to alert employees to the more commonplace types of disciplinary issues. However, because conditions of human conduct are unpredictable, there may arise instances of unacceptable behavior not included in the written list of causes, in which the City may find it necessary and appropriate to initiate disciplinary action.
- B. Right of Appeal
1. Any employee shall have the right to appeal an EPO to the Division Commander (or Police Chief if issued by Division Commander). Any employee shall have the right to appeal a written reprimand through the chain of command up to the Police Chief or his designee. The decision of the Police Chief is final and binding and not subject to further appeal. The appeal process timeline is as specified in #2a and #2b.
 2. Any employee in the POAL bargaining unit shall have the right to appeal disciplinary action above a written reprimand as follows:
 - a. An employee must submit, in writing, to the Division Commander the appeal, clearly stating the basis and requested action within ten (10) working days after receiving the notice of discipline. The decision of the Division Commander will be issued within ten (10) working days of receipt of appeal.
 - b. The Division Commander's decision may be appealed to the Police Chief or his designee by filing in writing within ten (10) working days after issuance. The Police Chief will schedule a meeting with

the employee and hear all evidence germane to the dispute. Thereafter, the Police Chief will decide the matter within ten (10) working days.

- c. The Police Chief's decision may be appealed to the City Manager or his designee by filing in writing within ten (10) working days after issuance. The City Manager will respond in writing within ten (10) working days of receipt of the appeal.
- d. The City Manager's decision may be submitted to arbitration as the final level of appeal for disciplinary action. Only the association may appeal to arbitration and must notify the City within ten (10) working days of the date of notice from the City Manager.

C. Conduct of Appeal Process

- 1. Failure by either party to meet the established time limits will result in forfeiture by the failing party. Grievance settled by forfeiture shall not bind either party to an interpretation of this MOU, nor shall such settlements be cited by either party as evidence in the settlement of subsequent grievances.
- 2. The time limits specified may be extended by mutual agreement between the parties.

D. Arbitration Process Guidelines

To insure that the arbitration process is as brief and economical as possible, the following guidelines shall be adhered to:

- a. An arbitrator may, upon mutual consent of the parties, issue a decision, opinion, or award orally upon submission of the arbitration.
- b. Both parties and the arbitrator may tape record the hearing.
- c. There shall be no official transcript required; however, either party may utilize a court reporter at its own sole expense. The cost of a court reporter required by an arbitrator shall be shared equally by the parties.
- d. In grievance arbitration, the parties may agree to prepare a joint letter submitting the issue in dispute. The letter shall present the matter on which arbitration is

sought and shall outline the MOU provisions governing the arbitration. It may contain mutually agreed on stipulations of fact and it may be accompanied by any documents that the parties mutually agree shall be submitted to the arbitrator in advance of the hearing which may not necessarily be stipulations of fact. Further, if the parties mutually agree, the entire matter may be submitted to arbitration for review without a hearing. Absent agreement to prepare a joint letter, the parties may submit separate letters.

- e. The strict rules of evidence are not applicable and the hearing shall be informal.
- f. The parties have the right to present and cross-examine witnesses, issue opening and closing statements, and file written closing briefs. Testimony shall be under oath or affirmation.
- g. The arbitrator may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.
- h. Attendance at a hearing shall be limited to those determined by the arbitrator to have a direct connection with the appeal. Witnesses normally would be present at the hearing only while testifying and should be permitted to testify only in the presence of the employee or his/her representatives and the employer's representatives.
- i. The arbitration hearing will be held on the employer's premises.
- j. The cost of arbitration shall be borne equally by the parties. However, the cost, if any, of cancellation or postponement shall be the financial responsibility of the party requesting such delay unless mutually agreed by the parties.

The decision, opinion, or award shall be based on the record developed by the parties before and during the hearing. The decision will be in writing and it shall contain the crucial reasons supporting the decision and award.

The arbitrator has no power to add to, subtract from, or modify the terms of the MOU or the written ordinances, resolutions, rules, regulations, and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this MOU. The arbitrator shall be without power or authority to make any decision that requires the City or management to do an act prohibited by law.

The arbitrator has no power to add to a disciplinary action.

The arbitrator's decision shall be final, binding, and precedential and the arbitrator's decision shall possess the authority to make an employee whole to the extent such remedy is not limited by law, including the authority to award back pay, reinstatement, retroactive promotion where appropriate, and to issue an order to expunge the record of all references to a disciplinary action if appropriate.

The arbitrator shall have the authority to make all arbitrability and/or grievability determinations. The arbitrator shall make grievability and/or arbitrability determinations prior to addressing the merits of the case.

By filing a grievance or appealing a disciplinary action to arbitration, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than is provided by this grievance/arbitration procedure. The processing of a grievance to arbitration shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

ARTICLE XLIX - LAYOFF PROCEDURE

49.1 In the event that reductions in rank or layoffs of Police Unit personnel are necessary, the following procedure shall be followed:

- a. Any reduction in rank shall be based entirely on seniority. The employee having the least classification seniority shall be reduced first and transferred to the next lower classification to which he/she previously worked.
- b. If an employee is reduced in rank he/she shall not be laid off until all other employees of similar rank to which he/she was reduced have been laid off (i.e., if a Police Sergeant is reduced in rank to Police Officer, he/she must then be the last Police Officer to be laid off, regardless of the seniority of the other Police Officers).

c. All layoffs of Police personnel within the seniority span of service shall be by merit (at the discretion of the City Manager upon the recommendation of the Police Chief). The seniority spans of service are as follows:

- 1) All Police Officer Trainees based on seniority; then
- 2) All Police Officers on probation (one-year period);
- 3) All personnel with less than two years seniority; then
- 4) All personnel with two to three years seniority; then
- 5) All personnel with three to six years seniority; then
- 6) Personnel with more than six years shall be laid off by seniority.

Before any employee of a higher seniority group is laid off, all persons in the junior group must be laid off first.

d. Reinstatement shall be in reverse order of layoff or reduction in rank (i.e., the last Police Officer to be laid off would be first Police Officer reinstated.)

ARTICLE L - PROBATIONARY PERIOD

50.1 During the probationary period, the probationary employee shall be entitled to sick leave benefits. Employees shall be eligible to be considered for a merit increase upon the successful completion of probation. Nothing herein shall be deemed to alter the terms or conditions of the probationary period following promotion.

ARTICLE LI - PROMOTIONAL EXAMINATIONS

51.1 The certification process on promotional examinations for positions represented in this bargaining unit (Police Corporal) will be as follows:

1. For one vacancy, the top five highest scoring applicants will be certified to the Police Chief for a hiring interview.
2. In the event of more than one vacancy at the same time, two additional names will be certified for each additional vacancy. For example, if there are two vacancies, seven (7) names shall be certified, three (3) vacancies, nine (9) names, etc.
3. It is understood and agreed that the Police Chief has the sole right to select any of the certified applicants in compliance with the Rules for Personnel Administration and applicable law.

ARTICLE LII - SEVERABILITY

52.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

ARTICLE LIII - TERM

53.1 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and POAL agree that the term is January 1, 2015 through December 31, 2017.

53.2 The POAL and City mutually agree to commence negotiations for a new contract no later than three (3) months prior to the expiration of this MOU.

POLICE OFFICERS' ASSOCIATION OF LODI

CITY OF LODI

Nathan Woods, President
City of Lodi

Stephen Schwabauer, City Manager

Date _____

Date _____

Eric Shaw, Police Officer
Negotiator

Jordan Ayers, Deputy City Manager

Date _____

Date _____

Ryan La Rue, Police Officer
Negotiator

Adele Post, Human Resources Manager

Date _____

Date _____

MASTAGNI HOLSTEDT Et Al.

APPROVED AS TO FORM:

Dennis Wallach, Chief Negotiator

Janice D. Magdich, City Attorney

Date _____

Date _____

ATTEST:

Jennifer M. Ferraiolo, City Clerk

EXHIBIT A

Salary Effective January 5, 2015

Occupation Title	Job Code	Step A	Step B	Step C	Step D	Step E
Police Corporal	6220	5781.48	6070.56	6374.09	6692.80	7027.43
Police Officer	6210	5454.23	5726.94	6013.29	6313.96	6629.66
Police Officer Trainee	6200	4710.05	4945.55	5192.83	5452.47	5725.09



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Approving the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period January 1, 2015 through December 31, 2017 and Appropriating Funds (\$359,319)

MEETING DATE: July 15, 2015

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution approving the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period January 1, 2015 through December 31, 2017 and appropriating funds (\$359,319).

BACKGROUND INFORMATION: Representatives from the City and Lodi Professional Firefighters (LPF) have reached a tentative agreement on a new Memorandum of Understanding (MOU), subject to the approval of Council.

A redline strikeout version of the MOU is attached for Council review and approval. The redline version also reflects language clean-up and edits desired by both the City and LPF. A summary of the key changes to the MOU are as follows:

- The term of the MOU shall be from January 1, 2015 through December 31, 2017;
- Effective January 5, 2015, and following City Council approval, the City agrees to provide a 3 percent Cost of Living Adjustment (COLA), a 2 percent COLA effective the first full pay period in calendar year 2016, and a 2 percent COLA effective the first full pay period in calendar year 2017;
- Provide a bank of holiday hours for non-shift employees rather than following the City's fixed holiday calendar;
- Increase the Specialized Team incentive from 2.5 percent to 3.0 percent;
- Change the conversion formula from an hourly basis to a dollar value when converting leave accruals for employees who change from a forty (40) hour work week to a fifty-six (56) hour work week and vice-versa;
- Add a vacation accrual table for employees on a 40 hour schedule;
- Eliminate the side-letter agreement that reinstated Section 22.2 of the prior LPF MOU and agree to provide the same "opt-out" amounts as all other City employees who waive the City's health insurance; and
- The City agrees to re-open negotiations with LPF only in the event that the premium for the lowest cost HMO in the Lodi geographical area increases 10 percent or more in calendar year 2016 or 2017.

In addition, the City and LPF agree to continue discussions regarding the incentive pay for Administrative Fire Captain.

Lodi's employees agreed to voluntary decreases in total compensation in every year from 2009 through 2012. When the 2012 MOUs expired, Lodi's safety employees agreed to a permanent reduction in total compensation of nine percent. These voluntary employee reductions allowed the City to survive the

APPROVED: _____
Stephen Schwabauer, City Manager

Great Recession, stabilize its weak reserve and perform needed capital improvements. During this same period, the cost of living has increased by 11.8 percent (San Francisco-Oakland-San Jose CPI-U).

Most City employees have not seen an increase in base pay since 2007 or 2008 depending upon bargaining unit. The City is now in a position to grant a small increase in base pay as a result of increased revenues and prudent expense management. The base pay increases are structured in such a fashion that they are sustainable over the term of the agreement from current reserves in excess of the Council-approved General Fund reserve target. Funding for the final year of the agreement assumes that revenues and expenditures will match current City projections.

Lodi certainly faces funding challenges ahead and must plan for them. It also faces continued fiscal stress to a work force that contributed significantly to addressing the fiscal impact of the Great Recession. Although the current excess over our reserve target could certainly be invested in other fashions, staff believes that investing in our employees is the most appropriate use of these funds.

Staff recommends that the Council approve the MOU between the City and LPF.

FISCAL IMPACT: Total cost of the proposed agreement is \$1,022,576 of which \$95,164 is applicable to FY 2014/15; \$264,155 is applicable to FY 2015/16; \$416,124 is applicable to FY 2016/17; and \$247,133 is applicable to FY 2017/18. The FY 2014/15 and 2015/16 component of this proposal is not included in the 2015/16 budget and will require an appropriation in the General Fund of \$359,319. Funding is available from the General Fund dollars in excess of the 2013/14 reserve target. Funding for these increased costs will be included in each year's budget.

FUNDING AVAILABLE: Funding for this item will be provided by funds in excess of the General Fund reserve target established by Council.

Adele Post, Human Resources Manager

Jordan Ayers, Deputy City Manager

Attachment

MEMORANDUM OF UNDERSTANDING

CITY OF LODI

AND

LODI PROFESSIONAL FIREFIGHTERS

January 1, 2014—December 31, 2014

January 1, 2015 – December 31, 2017

TABLE OF CONTENTS

		<u>PAGE #</u>
<u>CHAPTER 1 – SALARIES AND OTHER COMPENSATION</u>		
Article I	Above Class Pay	4
Article II	Department Sanctioned Teams	4
Article III	Education Incentives	4
Article IV	Flexible Spending Account	6 5
Article V	Jury Duty	6 5
Article VI	Merit Increases	6
Article VII	Overtime	6
Article VIII	Salary	7
Article IX	Tuition Reimbursement	8
Article X	Deferred Compensation	8
Article XI	Uniform Allowance	8
Article XII	Workers' Compensation	8
Article XIII	Bilingual Pay	9
Article XIV	Longevity Pay	9
<u>CHAPTER 2 – LEAVES</u>		
Article XV	Catastrophic Leave	10
Article XVI	Holidays	10
Article XVII	Leaves of Absence	11
Article XVIII	Sick Leave	11 2
Article XIX	Vacation	11 2
<u>CHAPTER 3 – INSURANCE AND RETIREMENT</u>		
Article XX	Chiropractic Insurance	13
Article XXI	Dental Insurance	13
Article XXII	Medical Insurance	13
Article XXIII	Retirement Plan	14 3
Article XXIV	Sick Leave Conversion	15
Article XXV	Vision Care	16
<u>CHAPTER 4 – SAFETY</u>		
Article XXVI	Safety Committee	17
<u>CHAPTER 5 – Work Hours, Schedules, Meals</u>		

Article XXVII	56-Hour Work Week	18
Article XXVIII	Shift Trades	18

CHAPTER 6 – ASSOCIATION / CITY ISSUES

Article XXIX	Alcohol, Smoking, and Drugs	20
Article XXX	City Rights	21
Article XXXI	Complete Agreement	21
Article XXXII	Concerted Activities	22
Article XXXIII	Employee Representation	22
Article XXXIV	Grievance Procedure	24
Article XXXV	Layoff Procedure	28
Article XXXVI	Physical Fitness	28
Article XXXVII	Probation	29
Article XXXVIII	Severability	29
Article XXXIX	Miscellaneous	29

Schedule A – Salary Schedule Effective January ~~51, 2014~~2015

Chapter 1. Salaries and Other Compensation

ARTICLE I - ABOVE CLASS PAY

- 1.1 All employees in this bargaining unit who are required to work in a higher class shall be paid an additional 5% of the employee's salary for all hours once 12 consecutive hours have been worked.
- 1.2 Captains assigned as the Administrative Captain shall receive special assignment pay equal to 8% of the normal base pay. This special assignment pay is intended to compensate Fire Captains for the loss in pay from transferring from shift to non-shift schedules. It is mutually agreed that assignments to the Administrative Captain are at the sole discretion of the Fire Chief.

The City and the bargaining unit agree to continue discussions, during the term of this Memorandum of Understanding (MOU) (January 1, 2015 – December 31, 2017), regarding the bargaining unit's desire to increase the special assignment pay for Administrative Captain.

ARTICLE II – DEPARTMENT SANCTIONED TEAMS

- 2.1 It is the intent of the City to develop specialized teams to address a variety of special hazards and provide specialized services to the department or community. When a team is established, minimum standards for inclusion and retention as a team member shall be developed and ratified by the Fire Chief. Any member of the department who becomes a member of the recognized specialized team, shall receive a ~~2.5%~~3.0% salary increase for as long as he/she meets the minimum entry level requirements and maintains a minimum level of participation as outlined in the team membership requirements. Each employee of the department can only receive ~~2.5%~~3.0% of salary for team membership, regardless of the number of teams the employee belongs to.
- 2.2 The development of new teams shall require the submittal of minimum entry level and performance criteria for maintenance of membership to the Fire Chief prior to the development of the team. The Fire Chief shall have the sole discretion as to the appropriate number of members per specialized team. The department shall make every effort to develop a cadre of specialized teams to adequately address the needs of its members.

ARTICLE III - EDUCATION INCENTIVE

- 3.1 An incentive program shall be established with the major purpose being to encourage and reward members of the LPF to broaden their on-the-job experience with academic training in the fields of science, management and administration.
- 3.2 Employees who meet the following criteria are eligible for education incentive pay.

- A. Employees holding an Associate of Arts shall receive \$25.00 per month if the:
 - 1. AA is in Fire Science or related field or;
 - 2. AA is in a non-related field with a Fire Science Certificate from an accredited institution or;
 - 3. The employee possesses an AA degree and is actively pursuing a baccalaureate degree.

- B. Employees possessing a BA or BS degree shall receive an additional \$25.00 per month. If an employee possesses a BA degree, it is assumed that an AA is also possessed.

The incentives in Section 3.2A and Section 3.2B are limited to employees hired prior to April 18, 2012.

- C. The following increments shall be added to the Education Incentive Program. It is agreed that the following amounts shall be paid ~~if the~~upon verification that the individual has completed the necessary course work and has submitted a completed application to the certifying agency. Verification of course work and submittal of a completed application must be provided to Human Resources along with the request for the incentive. Incentive pay is effective the first day of the full pay period following receipt and verification of required documentation.

◇ Certified Fire Officer.....	\$50.00 per month
◇ Certified Chief Officer	\$50.00 per month
◇ Certified Fire Investigator- Level 2.....	\$12.50 per month
◇ Certified Fire Instructor Level 3 and Mgmt 2.E.....	\$25.00 per month
◇ Certified Fire Prevention Officer Level 3 and Mgmt 2.E.....	\$25.00 per month
◇ Certified Public Education Officer Level 2.....	\$12.50 per month
◇ Certified Fire Chief	\$25.00 per month

The maximum amount to be paid under this program is \$175.00 per month.

- 3.3 In addition to the amounts specified in Section 3.2, an additional \$25.00 per month shall be paid if the employee possesses a Hazardous Materials Specialist/Technician certificate.

- 3.4 Persons possessing the aforementioned requirements shall not receive the incentive pay until such time as evidence of course completion and application submittal is produced. ~~If they do possess the requirements on that date, but do not have evidence of completion, pay shall be made retroactively. Incentive pay shall be retroactive up to a maximum of six (6) months from the date Human Resources received and verified the required documentation.~~

ARTICLE IV – FLEXIBLE SPENDING ACCOUNT

4.1 The City shall include members of the LPF in the City's flexible spending account program, which allows employees to pay for unreimbursed medical costs, insurance premiums, and dependent care costs to be paid with pretax dollars.

ARTICLE V - JURY DUTY

5.1 All full-time regular employees are granted jury duty leave with pay. Any employee who is summoned to attend any court during the time regularly required for his employment for the purpose of jury service shall be entitled, while so engaged and actually serving, to his regular compensation in addition to any jury duty compensation.

5.2 No employee shall be granted jury duty leave with pay in which such employee will be testifying in behalf of oneself or as a witness in a court of law.

5.3 An employee serving on jury duty, who is not required to be in attendance at such jury duty for more than one half of the employee's normal working day is expected to return to his regular work assignment for the balance of the day. An employee seated on a jury shall not be scheduled for regular work during the twelve hours preceding the scheduled time for jury duty.

5.4 If an employee covered by this Agreement is required by subpoena to appear in court or to give a deposition as a result of an action taken within the scope of employment with the City, that employee shall receive his full pay while so doing, with no loss of time if he/she is on regular duty. If the employee is not on duty, the City agrees to compensate that employee at one and one-half times his/her regular rate of pay, for the time spent in any appearance as required by this Article. The employee shall demand a witness fee and shall reimburse same to the City. As a prerequisite for payment to off-duty employees, the Fire Chief or his designee must be notified in writing of the off-duty appearance within seventy-two hours after the employee is subpoenaed or otherwise notified of the required court appearance. The employee shall demand a witness fee and shall reimburse the same to the City.

5.5 Voluntary Grand Jury service such as that service in San Joaquin County, is not covered by Jury Duty leave.

ARTICLE VI – MERIT INCREASES

6.1 Merit increases shall not exceed the next step of the salary range for the position's classification.

ARTICLE VII - OVERTIME

7.1 All hours worked in addition to the regularly scheduled shifts shall be paid at the rate of one and one-half times the then regular rate of the employee. Overtime work shall be required of any employee to meet special or unusual needs of service

beneficial to the City and community. All overtime work requires the prior approval of a supervisor. No employee on disciplinary or medical leave shall be eligible to work overtime.

- 7.2 Employees working overtime shall be paid in increments of 15 minutes. Time within any 15 minute increment shall be rounded off, with 0-7 minutes adjusting back to the preceding increment and 8-15 minutes adjusting forward to the next increment. Thereafter, overtime shall be compensated in increments of 15 minutes at a rate of time and one-half.
- 7.3 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour worked.
- 7.4 No more than one hundred forty-four (144) hours of compensatory time shall be carried on the books at any time.
- 7.5 Bargaining unit members shall be allowed to cash out up to a maximum of 144 hours of earned compensatory time off twice per year, in April and October.
- 7.6 Upon separation, the employee shall be paid at the employee's current hourly rate or the average of the last three years whichever is higher, for the remaining compensatory balance.
- 7.7 Early call in or shift holdovers shall be compensated at the time and one-half rate.
- 7.8 Employees called to work outside their regular hours shall be paid at the rate of time and one-half the hourly rate for hours actually worked with a minimum guarantee of three (3) hours for each call.
- 7.9 If an employee requests time off that would result in the need for overtime, the employee must take a minimum of three (3) hours off unless the time off is for emergency reasons or has prior approval of the Fire Chief or his/her designee. Except for the first or last two or less hours of the shift, shift holdover or early relief would apply in these situations.
- 7.10 If a represented employee is called upon to perform the duties of a position exempt from the Fair Labor Standards Act, all provisions of this Article shall prevail.

ARTICLE VIII - SALARY

- 8.1 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and LPF agree that the term is January 1, ~~2014~~2015 through December 31, ~~2014~~2017.
- 8.2 The parties agree if a salary survey is performed, the fifteen cities to be surveyed are as follows:

Chico	Clovis	Davis
Fairfield	Merced	Manteca
Modesto	Redding	Roseville
Stockton	Tracy	Turlock
Vacaville	Visalia	Woodland

- 8.3 ~~City shall provide a one-time, non-PERS-able payment of \$2,300 to each member of this bargaining group who is employed by the City on the date of approval of this MOU by the City Council. Payment will be made in a lump-sum manner along with a regularly scheduled pay check within two pay periods of the approval of this MOU by the City Council. City shall provide a cost of living adjustment (COLA) of three (3.0) percent effective the first full pay period that begins after January 1, 2015.~~

For calendar year 2016, the City shall provide a cost of living adjustment (COLA) of two (2.0) percent effective the first full pay period that begins after January 1, 2016.

For calendar year 2017, the City shall provide a cost of living adjustment (COLA) of two (2.0) percent effective the first full pay period that begins after January 1, 2017.

ARTICLE IX - TUITION REIMBURSEMENT

- 9.1 In addition to the City policy, individuals enrolling in courses offered by recognized professional organizations which are not accredited through a college or university shall be eligible for up to a maximum of \$300.00 per fiscal year, to be paid upon the satisfactory completion of course work. The total monetary benefit shall not exceed the amount listed in the City Policy Manual.

ARTICLE X – DEFERRED COMPENSATION

- 10.1 The City shall match contributions by bargaining unit members to a deferred compensation program up to a maximum of 3% of the member's salary.

ARTICLE XI - UNIFORM ALLOWANCE

- 11.1 The City shall, on a one-time basis, provide each present and future employee with three department approved uniform shirts and three pair of department approved uniform pants of a flame retardant fabric. After this initial issue the maintenance and replacement of the uniform is the employee's responsibility.

- 11.2 The uniform allowance shall be \$950 per year, paid quarterly, as part of the last bi-weekly paycheck in the months of March, June, September, and December.

~~11.3 In addition to the above uniform allowance, City agrees to make a one-time, non-PERS-able payment of one percent (1%) of employees' base salary as shown in Schedule A toward the uniform allowance to each member of the bargaining unit who is employed by the City on the date of approval of this MOU by the City~~

~~Council. Payment will be made in a lump sum manner along with a regularly scheduled pay check within two pay periods of approval of this MOU by the City Council. This clause will sunset on December 31, 2014.~~

ARTICLE XII - WORKERS' COMPENSATION

- 12.1 In the event that a member of the LPF is disabled, whether temporarily or permanently, by injury or illness arising out of and in the course of his duties, he shall become entitled, regardless of his period of service with the City, to leave of absence while so disabled without loss of salary, in lieu of temporary disability payments, if any, which would be payable under this chapter, for the period of such disability but not exceeding one year, or until such earlier date as he is retired on permanent disability pension. (State of California Labor Code, Article 7, Section 4850.)
- 12.2 The City shall implement Article 4850.3 of the Labor Code which provides for advance disability payments prior to receipt of industrial disability retirement allowance to the member.

ARTICLE XIII- BILINGUAL PAY

- 13.1 Bilingual pay of \$150.00 per month shall be paid to all LPF members for speaking Spanish and/or Punjabi, subject to the eligible employee passing a proficiency exam administered and approved by the City.

ARTICLE XIV- LONGEVITY ~~P~~PAY

- 14.1 After completing ten years of service with the Lodi Fire Department, employees shall receive an annual longevity pay in the amount of \$1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Fire Department. Employees who have completed twenty years of service with the Lodi Fire Department will receive longevity pay in the amount of \$3,000 in November of the year following completion of twenty full years of service and each year thereafter.

For the purposes of this Article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Fire Department) shall receive the longevity pay associated with their years of service with the Lodi Fire Department.

The incentive in this Article is limited to employees hired prior to April 18, 2012.

Chapter 2. Leaves

ARTICLE XV- CATASTROPHIC LEAVE

15.1 LPF members shall be covered by and subject to the Citywide Catastrophic Leave Policy set forth in the City's current Administrative Policy Manual.

ARTICLE XVI- HOLIDAYS

16.1 Shift ~~e~~Employees in the LPF shall earn 156 hours of holiday leave per year, and non-shift employees shall earn 108 hours. In January of each year, every ~~shift~~ employee's holiday account shall be credited with ~~156-the appropriate~~ hours based on the employee's current shift. Employees hired mid-year or terminating mid-year shall have holiday hours credited or deducted at the rate of 6.0 hours per pay period for shift employees and 4.15 hours per pay period for non-shift employees.

16.2 A shift employee may opt to schedule holidays or to be compensated at the straight time rate for all hours of holiday leave. During the course of the year, an employee who opted to use scheduled holidays may at their request and at the sole discretion of the Fire Chief, schedule a day off in lieu of cash payment. Each year, the pay period in which December 1 falls, employees shall be paid for the unused holidays at the straight-time rate as of December 31 of the year in which the holidays were earned.

16.3 ~~Non-shift employees shall observe 9 1/2 fixed holidays per year~~The Fire Department will make every effort to avoid scheduling any non-emergency training or meetings on the following City observed holidays:

◇ New Year's Day	January 1
◇ Martin Luther King Day	3 rd Monday in January
◇ President's Day	3 rd Monday in February
◇ Memorial Day	4 th Monday in May
◇ Independence Day	July 4
◇ Labor Day	1 st Monday in September
◇ Thanksgiving Day	4 th Thursday in November
◇ Day after Thanksgiving Day	Friday following Thanksgiving Day
◇ Christmas Eve (four hours)	December 24
◇ Christmas Day	December 25

~~The employee shall also be granted four additional holidays to be taken at a time mutually agreeable to the employee and the Fire Chief.~~

~~If a scheduled holiday falls on a regularly scheduled day off the employee shall take off the day preceding or day succeeding the holiday. Floating holidays shall be prorated upon hiring and termination at the rate of one holiday for each three-month period worked.~~

- 16.4 Nothing in this MOU is construed to change the manner in which holidays or vacations are scheduled.
- 16.5 It is mutually agreed that two represented employees per shift shall be allowed to schedule vacations or holiday time. Leave for sickness, injury, or leave for school shall not effect this time off.

ARTICLE XVII - LEAVES OF ABSENCE

- 17.1 The City and LPF mutually agree that inability to return to work after an employee's sick leave has been exhausted shall be considered an urgent and substantial reason for the granting of a leave of absence in accordance with the Leave of Absence policy in the City of Lodi Administrative Policy Manual.
- 17.2 The City interprets this Section as providing that the conditions under which an employee shall be restored to employment on the termination of leave of absence shall be stated as clearly as possible at the time by the City in conjunction with the granting of the leave of absence. The City reaffirms its policy that an employee's status as a permanent employee is not impaired by such leave of absence.
- 17.3 Employees who are placed in a Leave Without Pay status following the expiration of sick leave, vacation, or compensatory time off, such that the employee is no longer in a pay status shall not receive employer paid employment benefits. However, if the leave is for medical reasons the medical insurance will be carried for three months at the City's expense. Other health benefits may be continued at the employee's expense.
- 17.4 ~~Firefighters are entitled to leave without pay or other benefits for up to four months from the date of disability for disabilities because of pregnancy, miscarriage, childbirth, or recovery therefrom when sick leave has been exhausted. The date on which the employee shall resume duties shall be determined by the employee on leave and the employee's physician. Medical leave shall be in accordance with the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or Pregnancy Disability Leave (PDL) and/or other applicable state and federal laws.~~
- ~~17.5 An employee on leave for pregnancy disability under this policy shall be entitled to return to the same position, or to a position comparable to that held at the time the leave commenced. A physician's release must be provided prior to an employee's return to work.~~
- ~~17.6 An employee seeking pregnancy/disability leave shall be required to provide a reasonable notice in writing (not less than four weeks) to the City of the anticipated date upon which leave shall commence, although the commencement date shall vary according to the employee's actual disability. She must also provide an estimate of the duration of the leave.~~

ARTICLE XVIII - SICK LEAVE

- 18.1 Shift employees shall accumulate sick leave with pay at the rate of 5.54 hours per pay period. Employees working a 40-hour week shall earn 3.70 hours per pay period.
- 18.2 Sick leave accumulated shall be unlimited.
- 18.3 One working day is defined as 12 work hours (1 duty day) for all LPF personnel working on a shift schedule.
- 18.4 Absence to care for a member of an employee's immediate family is authorization to use up to 72 hours of accumulated sick leave. Generally no more than 120 hours of family sick leave shall be approved in one calendar year.

ARTICLE XIX - VACATION**Non-Shift (40 hour work week) Employees:****Beginning with:**

Date of Hire:	<u>3.08 hours per pay period</u>
6th year	<u>4.62 hours per pay period</u>
12th year	<u>5.23 hours per pay period</u>
15th year	<u>6.16 hours per pay period</u>
21st year	<u>6.47 hours per pay period</u>
22nd year	<u>6.78 hours per pay period</u>
23rd year	<u>7.09 hours per pay period</u>
24th year	<u>7.40 hours per pay period</u>
25th year	<u>7.71 hours per pay period</u>

Shift (56 hour work week) Employees:**Beginning with:**

Date of Hire:	5.54 hours per pay period
6th year	8.31 hours per pay period
15th year	11.08 hours per pay period
21st year	11.65 hours per pay period
22nd year	12.20 hours per pay period
23rd year	12.76 hours per pay period
24th year	13.32 hours per pay period
25th year/above	13.88 hours per pay period

Members of LPF will have the option of cashing out any vacation time in excess of two tours (96 hours) of duty. Members must utilize at least two tours of their vacation time each year. Members shall request a cash out of vacation time between November 1 and November 15 of each year and will receive the payout of vacation time at straight time pay on the first regularly scheduled pay check in December.

Chapter 3. Insurance and Retirement

ARTICLE XX – CHIROPRACTIC INSURANCE

- 20.1 Chiropractic services may be received by employees and dependents through a chiropractic insurance plan.
- 20.2 The City shall pay the full costs of premiums for the employee and dependent(s) during the life of this agreement.

ARTICLE XXI - DENTAL INSURANCE

- 21.1 The City shall provide Stanislaus Foundation dental plan or an equivalent level of benefits for the term of this agreement.
- 21.2 The City shall pay the increased cost of such premiums for the life of the agreement.

ARTICLE XXII - MEDICAL INSURANCE

- 22.1 All employees shall be offered medical insurance for themselves and dependents through CalPERS medical plans. The City shall pay 100% of the premium for the employees' family category (Single, Employee + 1, Family) for the lowest cost HMO available in Lodi's geographical area (excluding PORAC) as of January 1, 2014.

Effective January 1, 2014, the City's contributions to the premiums for medical insurance coverage will be capped at the following rates and employees shall be responsible for premium costs in excess of this amount:

Single	—————	\$657.33	<u>per month for Employee only</u>
EE + 1	—————	\$1,314.66	<u>per month for Employee +1</u>
EE + family	—————	\$1,709.06	<u>per month for Family</u>

- 22.2 If an employee is otherwise covered by a medical plan and ~~waives elects not to be covered by~~ medical insurance through the City of Lodi, the employee may at their option take the following in cash or deposited into their deferred compensation account an additional:

EE only	—————	\$305.22	<u>per month for Employee only</u>
EE + 1	—————	\$532.92	<u>per month for Employee +1</u>
EE + Family	—————	\$692.81	<u>per month for Family</u>

~~will be added to either the employee's deferred compensation account or cash.~~ In order to qualify, proof of group insurance must be provided to the city.

- 22.3 Notwithstanding any other provisions of this MOU, the parties agree to re-open Article XXII entitled: "Medical Insurance" for negotiation, solely limited to

determining the amount the City of Lodi will contribute towards employee health plan premiums during calendar year 2016 and 2017, only in the event that the premium for the lowest cost HMO in the Lodi geographical area increases 10% or more in 2016 or 2017.

ARTICLE XXIII - RETIREMENT PLAN

23.1 The City provides retirement benefits through the Public Employees Retirement System (PERS). Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 and deemed to be “classic” employees by PERS:

- Public Safety 3% @ 50 plan
- 1959 Survivor benefits - 3rd Level
- Single Highest Year
- Credit for Unused Sick Leave
- Military Service Credit
- 2% Annual Cost of Living (COLA) Increase
- Employee shall pay the full employee share of retirement costs to a maximum of 9% of salary

23.2 For employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

- Public Safety 3% @ 55 plan
- 1959 Survivors Benefit – Third Level
- Average of three highest consecutive years
- Credit for Unused Sick Leave
- Military Service Credit
- 2% Annual Cost of Living (COLA) Increase
- Employee shall pay the full employee share of retirement costs to a maximum of 9% of salary

23.3 The City agrees to provide the following PERS retirement program and pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

- Public Safety 2.7% @ 57 plan
- 1959 Survivors Benefit – Third Level
- Average of three highest consecutive years
- Credit for Unused Sick Leave
- Military Service Credit
- 2% Annual Cost of Living (COLA) Increase
- Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

23.4 To the extent permitted by PERS law, the parties intend the following items to be considered PERSable compensation:

- Salary
- Department sanctioned teams
- Education/certification incentives
- Uniform allowance
- Longevity pay
- Bilingual pay
- Holiday pay
- FLSA pay

ARTICLE XXIV - SICK LEAVE CONVERSION

24.1 For all unused sick leave, a represented employee with ten years of employment with the City shall be eligible to receive medical, dental and vision insurance coverage upon retirement (but not upon resignation, transfer or termination) on the following basis:

After 10 years of employment by the City, the number of hours of unused sick leave shall be reduced by 16 2/3%. The remaining balance shall be converted into an equivalent number of days. (**NOTE:** A day is equivalent to 12 hours for employees on a 56-hour week schedule and 8 hours for an employee on a 40-hour week schedule). The number of days shall be multiplied by the then current monthly premium being paid by the City for the employee and if applicable his dependents, subject to the cap shown in Article XXII. 50% of that dollar value shall be placed into a "bank" to be used for medical, dental and vision insurance premiums for the employee and dependent. For each year that an employee has been employed in excess of 10 years, 2 1/2% shall be added to the 50% before valuing the unused sick leave, not to exceed 100% of that dollar value.

For example:

Robert Smith retires with 20 years of service and 1800 hours of unused sick leave. City paid monthly medical insurance premiums are \$344.45 for him and his wife.

$$\begin{aligned}
 &1800 - (1800 \times 16 \frac{2}{3}) = 1500 \text{ hours} \\
 &1500 \div 12 = 125 \text{ days} \times 75\% = 93.75 \\
 &93.75 \times \$344.45 = \$ 32,292.19
 \end{aligned}$$

This amount shall be reduced each month by the current premium(s) for the employee and dependent until the balance is gone. In the event the retiree dies the remaining bank shall be reduced by 50% and the survivor may use the bank until the balance is gone.

- 24.2 In the event an active employee dies before retirement and that employee is vested in the sick leave conversion program, the surviving dependents shall have an interest in one-half the value of the bank as calculated in Section 24.1.
- 24.3 Represented employees who retire on a service retirement and are eligible to convert accrued, unused sick leave into City paid insurance upon retirement shall be given the option of purchasing, at the retiree's cost, additional insurance for a period of time equal to the period of time for which they received City paid insurance upon retirement.
- Employee's option shall be exercised upon expiration of the City paid coverage.
- 24.4 In accordance with the sick leave conversion provision outlined in this MOU, a surviving spouse of either an active or retired member may be continued on the medical insurance plan and/or dependent coverage at the appropriate premium for the same period as if the employee had not died.
- 24.5 An employee eligible for the sick leave conversion program defined in Section 24.1 may choose instead to receive a cash settlement for all or part of unused sick leave at the rate of \$.30 on the dollar. Under this provision, the employee's sick leave balance at the time of retirement shall be converted to dollars at the employee's current pay rate.
- 24.6 Out of area retirees may receive reimbursement for insurance premiums up to the City's liability as specified in Section 24.1.
- 24.7 The City shall modify its contract with PERS to add credit for unused sick leave per Government Code Section 20862.8. This benefit is available to all employees regardless of the date hired; however, it is the only sick leave conversion benefit available to employees hired after December 6, 1995. Reporting of unused sick leave shall be pursuant to PERS regulations on said issue. If an eligible employee opts to utilize the provisions of Section 24.1 the City shall report to PERS they have zero (0) hours of unused sick leave.

ARTICLE XXV- VISION CARE

- 25.1 The City shall provide and pay for a vision care plan underwritten by VSP or comparable vision care plan. Such comparable vision care plan shall be the same as the plan offered to mid and executive management employees in the City. The plan shall have a \$25 deductible, shall provide annual examinations and lenses. Frames are available every two years.

Chapter 4. Safety

ARTICLE XXVI - SAFETY COMMITTEE

26.1 A six-member Joint Safety Committee shall be formed to include three members of the LPF. This committee shall be charged with reviewing and making proposed solutions to items relating to safety standards, equipment, procedures, clothing and other safety related matters.

Chapter 5. Work Hours, Schedules, Meals

ARTICLE XXVII- 56-HOUR WORK WEEK

27.1 -The work schedule will be a schedule of “56-hours per week” with two on-duty shifts in six 24-hour periods. For purposes of the FLSA, it is mutually understood the City has declared a 24 day work cycle.

For purposes of overtime calculations under the FLSA, sick leave, vacation leave, compensatory time, and holiday leave will be considered time worked.

27.2 If an employee assigned to a 56-hour work week schedule terminates his/her employment in the middle of a two week payroll cycle, the employee’s pay for that cycle shall be computed by multiplying the number of days between the first day of the payroll cycle and the last shift worked by eight (8) hours or the number of actually worked in that payroll cycle, whichever is greater.

27.3 It is agreed that the work schedule of the Fire Inspector and the Administrative Captain is a 40-hour week and that all holiday, vacation, and sick leave benefits are based on a 40-hour week rather than a 56-hour week.

27.4 Effective May 25, 2015, the following formulas will be used in order to convert all the accrued leave hours for employees that move from a 40-hour work week to a 56-hour work week or from a 56-hour work week to a 40-hour work week: the following formulas shall be applied:

~~For conversion of Vacation:~~

~~From 40 to 56 hours.....Multiply by 1.8~~

~~From 56 to 40 hours.....Multiply by .55556~~

~~For conversion of Holiday and Sick Leave and Comp Time:~~

~~From 40 to 56 hours.....Multiply by 1.5~~

~~From 56 to 40 hours.....Multiply by .66667~~ For conversion from 40 to 56 hours Multiply by 1.4

For conversion from 56 to 40 hours Multiply by 0.7143

Thereafter, accruals shall be earned based on the assigned work schedule.

ARTICLE XXVIII - SHIFT TRADES

28.1 It is mutually agreed that each employee may trade shifts.

A firefighter while on initial probation may initiate shift trades for a hardship, in writing, with approval from their Captain and Battalion Chief. Shift trades for probationary firefighters are acceptable for attendance at approved training classes or seminars only.

- 28.2 It is expressly understood that shift trades are requested by employees on a voluntary basis and are granted exclusively for employee convenience.
- 28.3 A shift trade commitment shall be considered the equivalent of the employee's regularly assigned work day. Any member of the bargaining unit who agrees to a shift trade, but fails to report to work the agreed shift without a valid excuse may be subject to disciplinary action. An employee who agrees to exchange time with another employee and who then fails to report to work the agreed time because of illness, or who reports, but leaves early due to illness, may be required to provide a doctor's note to verify the illness.
- 28.4 In the event that the person who had agreed to work is unable to do so, he/she shall make the necessary arrangements to fulfill the obligation. This can be accomplished by: trading with another employee meeting the shift trade requirements; forfeiting sick, holiday, compensatory time, or vacation time, whichever is appropriate based on department policy; or injury leave if appropriate.

Chapter 6. Association/City Issues

ARTICLE XXIX - ALCOHOL, SMOKING AND DRUGS

- 29.1 No member of the Fire Department hired after October 1, 1987 may at any time use any form of tobacco. This prohibition is considered a condition of employment.
- 29.2 The LPF shall be covered under the *Drug-Free Workplace* policy and procedure. In addition, the LPF shall be covered under the *Drug and Alcohol Testing* policy and procedure with the exception of random testing. (Section 34520(e) of the California Vehicle Code exempts fire employees from the provisions of the Omnibus Transportation Employee Testing Act of 1991.)
- 29.3 In the event an employee is involved in an accident while operating a City vehicle the employee shall not leave the scene of the accident until a determination for drug and/or alcohol testing has been made by the appropriate supervisor.
- 29.4 In the event an employee is being referred to drug and/or alcohol testing, the employee shall have the right to representation or a witness. The witness may include an on-duty employee, as long as there is no interference with business necessity.
- 29.5 Supervisors directing an employee to drug and/or alcohol testing shall document at the time of direction the reason(s) for such determination of the *Reasonable Suspicion Test* form, and present that form to the employee.
- 29.6 The reporting of prescription medication being taken by an employee to his/her supervisor shall be kept in confidence.
- 29.7 In the event an employee's locker or storage area is to be searched, the employee shall have the right to representation or a witness. The witness may include an on-duty employee, as long as there is no interference with business necessity.
- 29.8 If a member of the Fire Department has a drug, tobacco or alcohol problem or dependence, the City shall pay the difference between the employee's insurance and the cost of an appropriate rehabilitation program.
- 29.9 All supervisory employees, including those in the rank of Fire Captain, shall attend training on making a reasonable suspicion determination of being under the influence of drugs and/or alcohol, and the appropriate referral process. Such training shall be provided by the City of Lodi. Non-supervisory employees may attend the training provided that there is adequate attendance capacity, and that the cost of the training shall be borne by the employee.

ARTICLE XXX - CITY RIGHTS

30.1 It is further understood and agreed between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include, but are not limited to, the exclusive rights:

- ◇ to determine the mission of its constituent departments, commissions and boards;
- ◇ to set standards of service;
- ◇ to determine the procedures and standards of selection for employment;
- ◇ to direct its employees; to maintain the efficiency of governmental operations;
- ◇ to determine the methods, means and personnel by which government operations are to be conducted;
- ◇ to take all necessary actions to carry out its mission in emergencies; and
- ◇ to exercise complete control and discretion and the technology of performing its work.

30.2 City rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to take disciplinary action, and to determine the content of job classifications; provided, however, that the exercise by the City of the rights in this paragraph does not preclude employees or their recognized employee organizations from filing grievances regarding the practical consequences that decisions on such matters may have on wages, hours or other terms and conditions of employment.

30.3 Per Side Letter dated September 14, 2011: The Lodi Professional Firefighters (LPF) recognizes and accepts the City's right to determine the procedures and standards of selection for promotion. This recognition does not preclude the LPF from discussing with the City the LPF's point of view as it relates to the timeliness and necessity of promotions. The merits of each promotion should be discussed by both parties with the intent of reaching an understanding. It is the LPF's contention that economics is one component and should not be the sole deciding factor when determining whether to promote or not. It is through joint discussions that the City and the LPF believe resolution can be found.

ARTICLE XXXI – COMPLETE AGREEMENT

31.1 The parties acknowledge that during the negotiations which resulted in this MOU, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the scope of negotiations, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in the MOU. Any other prior existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

- 31.2 Per the Side Letter signed on May 20, 2004: Except as required by operational/or business necessity impacting City employees as a whole, there shall be no changes to the Rules for Personnel Administration during the term of this MOU. This does not prevent the parties from mutually agreeing to meet and confer over proposed changes to the Rules during the term of this MOU.

ARTICLE XXXII - CONCERTED ACTIVITIES

- 32.1 Represented employees agree that they shall not strike, withhold services, engage in “slowdowns” or “sick ins” or participate in any other form of concerted activity which is intended to or which does adversely affect job performance or rendering of City services.

ARTICLE XXXIII - EMPLOYEE REPRESENTATION

- 33.1 This Memorandum of Understanding (hereinafter referred to as "MOU") is entered into between representatives of the City of Lodi (hereinafter referred to as "City") and representatives of the Lodi Professional Firefighters (hereinafter referred to as "LPF").

The parties to this MOU acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq. of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth in this MOU.

The terms and conditions of this MOU are applicable to those employees in those positions represented by the LPF of the City of Lodi, i.e., Firefighter I, Firefighter II, Fire Engineer, Fire Captain, and Fire Inspector. It is mutually agreed that wages, hours, and other terms and conditions of employment of such employees shall be as hereinafter set forth. Except as specifically stated in this Memorandum, all existing benefits currently being furnished to employees and all existing terms and conditions of employment are to continue in effect unless and until the parties meet and confer regarding a change in such existing benefits, terms or conditions of employment.

The terms and conditions of this MOU shall continue in effect during the term of this MOU. ~~The parties agree as follows:-~~

- 33.2 The City and the LPF mutually agree that the City shall grant dues deduction to City employees who are members of the LPF in accordance with the terms and conditions set forth in Section 4, Rule 2 of City of Lodi Resolution No. 3344 entitled "Adopting Rules and Regulations to Implement Provisions of the Employee-Employer Relations Resolution." The LPF shall indemnify, defend and hold the City of Lodi harmless against any claims made and against any suit instituted against the City of Lodi on account of check-off of said employee organization's dues. In addition, the LPF shall refund to the City of Lodi any amounts paid to it in error upon presentation of supporting evidence.

Changes in the LPF membership dues rate shall be certified to the City, in writing, over the signature of the LPF President. The change shall be implemented as soon as practicable, but in no event later than thirty (30) days after the notification.

- 33.3 LPF shall maintain exclusive representation rights during the term of this MOU. Every employee covered by this MOU who is a member of LPF twenty (20) days after the signing of this MOU shall, as a condition of employment, maintain his or her membership in good standing in accordance with the Constitution and Bylaws of the LPF during the term of this agreement.
- 33.4 No employee covered by this Memorandum of Understanding shall be discriminated against by the City or by the Union with respect to any job benefits or other conditions of employment accruing from this agreement because of union membership, non-membership in the union, race, color, sex, creed, national origin, marital status, disability or political affiliation. It is understood that violations of this section are not subject to arbitration.
- 33.5 The City shall make available a period of one hour to the LPF in each recruit class with an end toward education of each employee of the rights and benefits under the collective bargaining agreement, as well as other association benefits, and the responsibilities of the employee and the association.
- 33.6 The City and LPF agree and understand that if any section of this MOU in any way conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure manual, city resolutions, or city ordinances, any ambiguity shall be resolved in favor of the MOU language. If the MOU is silent on an issue, the current applicable document (i.e. policy manual) is controlling.
- 33.7 Beginning January 1, 2014, and each January 1 thereafter, the Lodi Professional Firefighters Association will notify the City of the hours to be deducted from each member's last pay check in February (not to exceed 10 hours annually) for the Union Leave Bank. The hours will be deducted from the employee's holiday leave bank. Requests to use another leave bank must be submitted to payroll two (2) weeks prior to the deduction date. Union Leave Bank hours may not exceed more than 600 hours on a yearly basis. The President of the Lodi Professional Firefighters shall designate members that can use the hours. Hours may be donated from member's vacation leave, holiday leave or compensatory time off. The Union Leave Bank shall be charged an equivalent amount of time required to cover the absence of the member utilizing the LPF bank, including any overtime required to cover the shift.

ARTICLE XXXIV - GRIEVANCE PROCEDURE

34.1 This grievance procedure shall be used to process and resolve disputes regarding the interpretation or application of any of the terms and conditions of this MOU, letters of understanding, and formal interpretations and clarifications executed by the LPF and the City.

The intent of this procedure is to resolve grievances informally at the lowest possible level and to provide an orderly procedure for reviewing and resolving grievances promptly.

The term "day" means a working day i.e. Monday through Friday excluding fixed City Hall closures.

A grievance is a good faith complaint of one or a group of employees or a dispute between the City and the LPF involving the interpretation, application, or enforcement of the express terms of this MOU and other express written terms and conditions of employment or clear past practices.

As used in this procedure, the term "party" means an employee, the LPF, the City or the authorized representatives of any party. The employee is entitled to representation through all the steps in this procedure.

Matters of discipline are to be handled exclusively in accordance with the provisions of section 34.4.

34.2 INFORMAL PROCEDURE

The informal procedure must be used as an initial step in all grievances. An employee or their representative having a grievance arising from employment in the municipal service shall seek adjustment of the grievance initially through verbal contact with their immediate supervisor within twenty (20) working days of the date of the action being grieved, or the date the grieving party became aware of the incident which is the basis of the grievance. The employee or his/her representative shall state the nature of the grievance and any pertinent information required for the supervisor to sufficiently investigate the incident and resolve the grievance. Should the immediate supervisor be unable to make a satisfactory adjustment, the employee or their representative may seek adjustment through verbal contact to the next higher level of supervision up to and including the Fire Chief. The time allowed between steps in this process is ten (10) working days. All verbal contacts shall be documented as to the date, time and place of the contact.

In matters involving disputes between two employees (including personality conflicts between and employee and his/her supervisor), the two employees should meet in an attempt to resolve their differences. If they cannot resolve the issues between themselves, the complaint procedure outlined in the Lodi Fire Department Policy Manual shall be used as the Informal Grievance Procedure.

Should the employee progress through the above steps and find that the Fire Chief is unable to make a satisfactory adjustment within the time frame given, or is a party to the grievance, the employee or his representative may seek adjustment through the Formal Grievance Procedure.

34.3 FORMAL PROCEDURE

An employee who has not received satisfactory adjustment through the use of the Informal Grievance Procedure may, within ten (10) working days of the last time deadline of the Informal Procedure, file a Formal Grievance. Initiation of the formal grievance procedure requires that the grievance be submitted in writing. The steps of the Formal Grievance Procedure are as follows:

Step A. Class Action Grievances or a Lodi Fire Department Grievance Form is filed with the Fire Chief. If satisfactory adjustment is not attained the employee or his/her representative may proceed to Step B within ten (10) working days.

Step B. Class Action Grievances or A Lodi Fire Department Grievance Form is filed with the City Manager. The City Manager or designee shall investigate the grievance and shall respond in writing within ten (10) working days. If satisfactory adjustment is not attained the employee or his representative may proceed to Step C within ten (10) working days.

Step C If the grievance is not resolved by the City Manager or designee, arbitration shall be the final level of appeal for grievances and discipline. It is agreed by both parties that the decision of the arbitrator is binding and final on both parties and that if this procedure is utilized all other avenues of appeal are waived. If arbitration is chosen the City must be notified by the grievant or his/her representative within fifteen (15) working days following the City Manager's decision.

Within ten (10) working days after the request for arbitration is received by the City or at a date mutually agreed to by the parties, the parties shall meet to select an impartial arbitrator. If no agreement is reached at this meeting, the parties shall immediately and jointly request the State Conciliation and Mediation Service to submit to them a panel of five (5) arbitrators from which the City and the LPF shall alternately strike names until one (1) name remains; this person shall be the arbitrator. If the State Conciliation and Mediation Service cannot provide a list of five (5) arbitrators, the same request shall be made of the American Arbitration Association.

To insure that the arbitration process is as brief and economical as possible, the following guidelines shall be adhered to:

1. An arbitrator may, upon mutual consent of the parties, issue a decision, opinion or award orally upon submission of the arbitration.
2. Both parties and the arbitrator may tape record the hearing.
3. There shall be no official transcript required; however, either party may utilize a court reporter at its own sole expense. The cost of a court reporter required by an arbitrator shall be shared equally by the parties.
4. The parties may agree to prepare a joint letter submitting the issue(s) in dispute. The letter shall present the matter on which arbitration is sought and shall outline the MOU provisions governing the arbitration. It may contain mutually agreed on stipulations of fact and it may be accompanied by any documents that the parties mutually agree shall be submitted to the arbitrator in advance of the hearing which may not necessarily be stipulations of fact. Further, if the parties mutually agree, the entire matter may be submitted to arbitration for review without a hearing. Absent agreement to prepare a joint letter, the parties may submit separate letters.
5. The strict rules of evidence are not applicable but shall be of a type or kind relied upon by prudent people in the conduct of serious business and the hearing shall be informal.
6. The parties have the right to present and cross examine witnesses issue opening and closing statements, and file written closing briefs. Testimony shall be under oath or affirmation.
7. The arbitrator may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.
8. The arbitrator may exclude witnesses and observers from the hearing at his or her discretion.
9. The arbitration hearing shall be held on the employer's premises.
10. The cost of arbitration shall be borne equally by the parties. However, the cost, if any, of cancellation or postponement shall be the financial responsibility of the party requesting such delay unless mutually agreed by the parties.

The decision, opinion, or award shall be based on the record developed by the parties before and during the hearing, unless otherwise agreed to by the parties. The decision shall be in writing and shall contain the crucial reasons supporting the decision and award.

The arbitrator has no power to add to, subtract from, or modify the terms of the MOU or the written ordinances, resolutions, rules, regulations and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of the MOU. The arbitrator shall be without power or authority to make any decision that requires the City or management to do an act prohibited by law.

The arbitrator has no power to add to a disciplinary action.

The arbitrator's decision shall be final, binding, and precedential and the arbitrator's decision shall possess the authority to make an employee whole to the extent such remedy is not limited by law, including the authority to award back pay, reinstatement, and to issue an order to expunge the record of all references to a disciplinary action if appropriate.

If the City believes that the matter is not arbitrable and/or not grievable, the matter shall be bifurcated. The parties shall select an arbitrator to hear the issue of arbitrability only. In the event that the arbitrator determines the matter to be arbitrable, the parties shall select a second arbitrator to hear the merits of the case.

By filing a grievance and processing it beyond the City Manager the grievant expressly waives any right to statutory remedies for the same contract remedies that were available through arbitration or to the exercise of any legal process other than is provided by the grievance/arbitration procedure for those contractual remedies under this contract. The process in a grievance beyond the City Manager shall constitute an express election on the part of the grievant that the arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant shall not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of these paragraphs to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

Allegedly discriminatory acts by the city may be addressed through the judicial system, DFEH, EEOC, and/or the City's internal complaint procedure system as provided by law. Allegedly discriminatory acts are not subject to this procedure.

34.4 GRIEVANCE INVOLVING A DISCIPLINARY ACTION

This section sets forth the exclusive means for grieving disciplinary actions in the form of a written reprimand, demotion, suspension or dismissal. In the event the

employee wishes to challenge the City Manager's final decision on such discipline, the employee shall appeal the decision to binding arbitration, commencing with Step C of Article 34.3 of this MOU. All other, lesser forms of discipline shall be reviewable by the Fire Chief without a further right of appeal.

ARTICLE XXXV - LAYOFF PROCEDURE

35.1 It is mutually agreed by both parties that the layoff procedure, incorporated in the Policy and Procedure manual, dated May 1, 1995 is included in this MOU by reference and it is further agreed that both parties interpret it to mean that time served in a higher level shall be counted at a lower level for purposes of determining order of layoff.

ARTICLE XXXVI - PHYSICAL FITNESS

36.1 It is agreed that the physical fitness program shall be continued and shall meet the following goals:

1. Provide a complete physical examination on an annual basis. These examinations to be performed by professional medical staff contracted for by the City.
2. Provide a fitness assessment which will evaluate each individual employee's fitness as compared to the YMCA normative scores which are defined as:

"a percentage based on fitness evaluations performed by the YMCA and are categorized according to age group and sex."

The fitness assessments shall be performed by professional assessors contracted for by the City.

3. Provide an individual program of exercise based on age, sex and present physical condition.
4. Provide attainable goals for each individual which would be measurable through the fitness assessment provided.
5. Provide for in-house exercise activities.
6. Provide an exercise program which shall improve cardiovascular conditioning, body fat composition, flexibility, grip strength, abdominal strength, low back strength, chest (arm) strength, back strength, quadriceps and hamstring strength.

It is further agreed that:

1. The program shall be mandatory for all employees in the bargaining unit.

2. The program shall be scheduled as a high priority item and work out times shall normally be available between 0800 and 1700 hours excluding lunch period and breaks. The City shall provide adequate equipment to carry out the intent of the program.
3. The equipment used for this program is not to be used by anyone other than City of Lodi Fire personnel.
4. Confidentiality of records shall be maintained for the protection of the employees.

ARTICLE XXXVII - PROBATION

- 37.1 During probationary period, twelve (12) months, the new hire or promotional employee shall be entitled to sick leave benefits. Upon completion of probation, employees are eligible for merit increases.
- 37.2 Employees on initial probation may not utilize vacation accruals.
- 37.3 Probationary releases are appealable only to the extent required by law.

ARTICLE XXXVIII - SEVERABILITY

- 38.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

ARTICLE XXXIX – MISCELLANEOUS

- 39.1 LPF and the City of Lodi will meet and confer on entry level minimum qualifications.

SCHEDULE A

LPF Positions

Effective January ~~51, 2014~~2015

Occupation Title	Step A	Step B	Step C	Step D	Step E
Fire Captain	6285.73	6600.02	6930.02	7276.52	7640.34
Fire Engineer	5429.86	5701.35	5986.42	6285.74	6600.02
Fire Fighter I	4254.43	-	-	-	-
Fire Fighter II	4690.47	4924.99	5171.24	5429.81	5701.30
Fire Inspector	5701.35	5986.42	6285.74	6600.02	6930.03

Title	Step 0	Step 1	Step 2	Step 3	Step 4
Fire Captain	\$ 6,474.31	\$ 6,798.02	\$ 7,137.92	\$ 7,494.81	\$ 7,869.56
Fire Engineer	\$ 5,592.76	\$ 5,872.39	\$ 6,166.01	\$ 6,474.31	\$ 6,798.02
Firefighter I	\$ 4,382.06				
Firefighter II	\$ 4,831.19	\$ 5,072.75	\$ 5,326.38	\$ 5,592.70	\$ 5,872.33
Fire Inspector	\$ 5,872.39	\$ 6,166.01	\$ 6,474.31	\$ 6,798.02	\$ 7,137.93

LODI PROFESSIONAL FIREFIGHTERS

CITY OF LODI
A MUNICIPAL CORPORATION

Oscar Picazo
Fire Captain

Stephen Schwabauer
City Manager

Date: _____

Date: _____

William Broderick
Fire Captain

Jordan Ayers
-Deputy City Manager

Date: _____

Date: _____

Justin Porter
Firefighter~~**Paul Alvarez, Fire Engineer**~~
Resources Manager

Adele Post **Human**

Date: _____

Date: _____

APPROVED AS TO FORM:

Janice D. Magdich, City Attorney

ATTEST:

Jennifer M. Ferraiolo~~Robison~~, City

Clerk

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE
MEMORANDUM OF UNDERSTANDING WITH THE
LODI PROFESSIONAL FIREFIGHTERS EFFECTIVE
JANUARY 1, 2015 THROUGH DECEMBER 31, 2017 AND
FURTHER APPROPRIATING FUNDS

=====

WHEREAS, City employees have seen a net pay decrease as a result of concessions agreed to during the Great Recession; and

WHEREAS, most City employees have not seen an increase in base pay since 2008; and

WHEREAS, the City is now in a position to grant a small base pay increase as partial restoration of prior concessions; and

WHEREAS, it is recommended that Council approve revisions to the Memorandum of Understanding with Lodi Professional Firefighters (LPF) as follows, as a partial restoration of prior concessions:

- 3 percent increase to base salary, effective the first full pay period in 2015; 2 percent increase to base salary, effective the first full pay period in 2016; and a 2 percent increase to base salary, effective the first full pay period in 2017;
- Increase the Specialized Team incentive from 2.5 percent to 3.0 percent;
- Provide a bank of holiday hours for non-shift employees, rather than following the City’s fixed holiday calendar;
- Add a vacation accrual table for employees on a 40-hour schedule;
- Change the conversion formula from an hourly basis to a dollar value when converting leave accruals for employees who change from a 40-hour work week to a 56-hour work week and vice-versa;
- Eliminate the side-letter agreement that reinstated Section 22.2 of the prior LPF MOU and agree to provide the same “opt-out” amounts as all other City employees who waive the City’s health insurance; and
- The City agrees to re-open negotiations with LPF only in the event that the premium for the lowest cost HMO in the Lodi geographical area increases 10 percent or more in calendar year 2016 or 2017.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the attached Memorandum of Understanding (Exhibit A) between the City of Lodi and the Lodi Professional Firefighters, effective January 1, 2015 through December 31, 2017; and

BE IT FURTHER RESOLVED that funds in the amount of \$359,319 be appropriated as shown on the attached Appropriation Request Form.

Date: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the Lodi City Council in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

MEMORANDUM OF UNDERSTANDING

CITY OF LODI

AND

LODI PROFESSIONAL FIREFIGHTERS

January 1, 2015 – December 31, 2017

TABLE OF CONTENTS

		<u>PAGE #</u>
<u>CHAPTER 1 – SALARIES AND OTHER COMPENSATION</u>		
Article I	Above Class Pay	4
Article II	Department Sanctioned Teams	4
Article III	Education Incentive	4
Article IV	Flexible Spending Account	6
Article V	Jury Duty	6
Article VI	Merit Increases	6
Article VII	Overtime	6
Article VIII	Salary	7
Article IX	Tuition Reimbursement	8
Article X	Deferred Compensation	8
Article XI	Uniform Allowance	8
Article XII	Workers’ Compensation	8
Article XIII	Bilingual Pay	9
Article XIV	Longevity Pay	9
<u>CHAPTER 2 – LEAVES</u>		
Article XV	Catastrophic Leave	10
Article XVI	Holidays	10
Article XVII	Leaves of Absence	11
Article XVIII	Sick Leave	11
Article XIX	Vacation	11
<u>CHAPTER 3 – INSURANCE AND RETIREMENT</u>		
Article XX	Chiropractic Insurance	13
Article XXI	Dental Insurance	13
Article XXII	Medical Insurance	13
Article XXIII	Retirement Plan	14
Article XXIV	Sick Leave Conversion	15
Article XXV	Vision Care	16
<u>CHAPTER 4 – SAFETY</u>		
Article XXVI	Safety Committee	17
<u>CHAPTER 5 – Work Hours, Schedules, Meals</u>		
Article XXVII	56-Hour Work Week	18
Article XXVIII	Shift Trades	18

CHAPTER 6 – ASSOCIATION / CITY ISSUES

Article XXIX	Alcohol, Smoking, and Drugs	20
Article XXX	City Rights	21
Article XXXI	Complete Agreement	21
Article XXXII	Concerted Activities	22
Article XXXIII	Employee Representation	22
Article XXXIV	Grievance Procedure	24
Article XXXV	Layoff Procedure	28
Article XXXVI	Physical Fitness	28
Article XXXVII	Probation	29
Article XXXVIII	Severability	29
Article XXXIX	Miscellaneous	29

Schedule A – Salary Schedule Effective January 5, 2015

Chapter 1. Salaries and Other Compensation

ARTICLE I - ABOVE CLASS PAY

- 1.1 All employees in this bargaining unit who are required to work in a higher class shall be paid an additional 5% of the employee's salary for all hours once 12 consecutive hours have been worked.
- 1.2 Captains assigned as the Administrative Captain shall receive special assignment pay equal to 8% of the normal base pay. This special assignment pay is intended to compensate Fire Captains for the loss in pay from transferring from shift to non-shift schedules. It is mutually agreed that assignments to the Administrative Captain are at the sole discretion of the Fire Chief.

The City and the bargaining unit agree to continue discussions, during the term of this Memorandum of Understanding (MOU) (January 1, 2015 – December 31, 2017), regarding the bargaining unit's desire to increase the special assignment pay for Administrative Captain.

ARTICLE II – DEPARTMENT SANCTIONED TEAMS

- 2.1 It is the intent of the City to develop specialized teams to address a variety of special hazards and provide specialized services to the department or community. When a team is established, minimum standards for inclusion and retention as a team member shall be developed and ratified by the Fire Chief. Any member of the department, who becomes a member of the recognized specialized team, shall receive a 3.0% salary increase for as long as he/she meets the minimum entry level requirements and maintains a minimum level of participation as outlined in the team membership requirements. Each employee of the department can only receive 3.0% of salary for team membership, regardless of the number of teams the employee belongs to.
- 2.2 The development of new teams shall require the submittal of minimum entry level and performance criteria for maintenance of membership to the Fire Chief prior to the development of the team. The Fire Chief shall have the sole discretion as to the appropriate number of members per specialized team. The department shall make every effort to develop a cadre of specialized teams to adequately address the needs of its members.

ARTICLE III - EDUCATION INCENTIVE

- 3.1 An incentive program shall be established with the major purpose being to encourage and reward members of the LPF to broaden their on-the-job experience with academic training in the fields of science, management and administration.
- 3.2 Employees who meet the following criteria are eligible for education incentive pay.

- A. Employees holding an Associate of Arts shall receive \$25.00 per month if the:
 - 1. AA is in Fire Science or related field or;
 - 2. AA is in a non-related field with a Fire Science Certificate from an accredited institution or;
 - 3. The employee possesses an AA degree and is actively pursuing a baccalaureate degree.

- B. Employees possessing a BA or BS degree shall receive an additional \$25.00 per month. If an employee possesses a BA degree, it is assumed that an AA is also possessed.

The incentives in Section 3.2A and Section 3.2B are limited to employees hired prior to April 18, 2012.

- C. The following increments shall be added to the Education Incentive Program. It is agreed that the following amounts shall be paid upon verification that the individual has completed the necessary course work and has submitted a completed application to the certifying agency. Verification of course work and submittal of a completed application must be provided to Human Resources along with the request for the incentive. Incentive pay is effective the first day of the full pay period following receipt and verification of required documentation.

◇ Certified Fire Officer.....	\$50.00 per month
◇ Certified Chief Officer	\$50.00 per month
◇ Certified Fire Investigator- Level 2.....	\$12.50 per month
◇ Certified Fire Instructor Level 3 and Mgmt 2.E.....	\$25.00 per month
◇ Certified Fire Prevention Officer Level 3 and Mgmt 2.E.....	\$25.00 per month
◇ Certified Public Education Officer Level 2.....	\$12.50 per month
◇ Certified Fire Chief	\$25.00 per month

The maximum amount to be paid under this program is \$175.00 per month.

- 3.3 In addition to the amounts specified in Section 3.2, an additional \$25.00 per month shall be paid if the employee possesses a Hazardous Materials Specialist/Technician certificate.
- 3.4 Persons possessing the aforementioned requirements shall not receive the incentive pay until such time as evidence of course completion and application submittal is produced. Incentive pay shall be retroactive up to a maximum of six (6) months from the date Human Resources received and verified the required documentation.

ARTICLE IV – FLEXIBLE SPENDING ACCOUNT

- 4.1 The City shall include members of the LPF in the City's flexible spending account program, which allows employees to pay for unreimbursed medical costs, insurance premiums, and dependent care costs to be paid with pretax dollars.

ARTICLE V - JURY DUTY

- 5.1 All full-time regular employees are granted jury duty leave with pay. Any employee who is summoned to attend any court during the time regularly required for his employment for the purpose of jury service shall be entitled, while so engaged and actually serving, to his regular compensation in addition to any jury duty compensation.
- 5.2 No employee shall be granted jury duty leave with pay in which such employee will be testifying in behalf of oneself or as a witness in a court of law.
- 5.3 An employee serving on jury duty, who is not required to be in attendance at such jury duty for more than one half of the employee's normal working day is expected to return to his regular work assignment for the balance of the day. An employee seated on a jury shall not be scheduled for regular work during the twelve hours preceding the scheduled time for jury duty.
- 5.4 If an employee covered by this Agreement is required by subpoena to appear in court or to give a deposition as a result of an action taken within the scope of employment with the City, that employee shall receive his full pay while so doing, with no loss of time if he/she is on regular duty. If the employee is not on duty, the City agrees to compensate that employee at one and one-half times his/her regular rate of pay, for the time spent in any appearance as required by this Article. The employee shall demand a witness fee and shall reimburse same to the City. As a prerequisite for payment to off-duty employees, the Fire Chief or his designee must be notified in writing of the off-duty appearance within seventy-two hours after the employee is subpoenaed or otherwise notified of the required court appearance. The employee shall demand a witness fee and shall reimburse the same to the City.
- 5.5 Voluntary Grand Jury service such as that service in San Joaquin County, is not covered by Jury Duty leave.

ARTICLE VI – MERIT INCREASES

- 6.1 Merit increases shall not exceed the next step of the salary range for the position's classification.

ARTICLE VII - OVERTIME

- 7.1 All hours worked in addition to the regularly scheduled shifts shall be paid at the rate of one and one-half times the then regular rate of the employee. Overtime work shall be required of any employee to meet special or unusual needs of service beneficial to the City and community. All overtime work requires the prior

- approval of a supervisor. No employee on disciplinary or medical leave shall be eligible to work overtime.
- 7.2 Employees working overtime shall be paid in increments of 15 minutes. Time within any 15 minute increment shall be rounded off, with 0-7 minutes adjusting back to the preceding increment and 8-15 minutes adjusting forward to the next increment. Thereafter, overtime shall be compensated in increments of 15 minutes at a rate of time and one-half.
- 7.3 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour worked.
- 7.4 No more than one hundred forty-four (144) hours of compensatory time shall be carried on the books at any time.
- 7.5 Bargaining unit members shall be allowed to cash out up to a maximum of 144 hours of earned compensatory time off twice per year, in April and October.
- 7.6 Upon separation, the employee shall be paid at the employee's current hourly rate or the average of the last three years whichever is higher, for the remaining compensatory balance.
- 7.7 Early call in or shift holdovers shall be compensated at the time and one-half rate.
- 7.8 Employees called to work outside their regular hours shall be paid at the rate of time and one-half the hourly rate for hours actually worked with a minimum guarantee of three (3) hours for each call.
- 7.9 If an employee requests time off that would result in the need for overtime, the employee must take a minimum of three (3) hours off unless the time off is for emergency reasons or has prior approval of the Fire Chief or his/her designee. Except for the first or last two or less hours of the shift, shift holdover or early relief would apply in these situations.
- 7.10 If a represented employee is called upon to perform the duties of a position exempt from the Fair Labor Standards Act, all provisions of this Article shall prevail.

ARTICLE VIII - SALARY

- 8.1 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and LPF agree that the term is January 1, 2015 through December 31, 2017.
- 8.2 The parties agree if a salary survey is performed, the fifteen cities to be surveyed are as follows:

Chico	Clovis	Davis
Fairfield	Merced	Manteca
Modesto	Redding	Roseville
Stockton	Tracy	Turlock
Vacaville	Visalia	Woodland

- 8.3 City shall provide a cost of living adjustment (COLA) of three (3.0) percent effective the first full pay period that begins after January 1, 2015.

For calendar year 2016, the City shall provide a cost of living adjustment (COLA) of two (2.0) percent effective the first full pay period that begins after January 1, 2016.

For calendar year 2017, the City shall provide a cost of living adjustment (COLA) of two (2.0) percent effective the first full pay period that begins after January 1, 2017.

ARTICLE IX - TUITION REIMBURSEMENT

- 9.1 In addition to the City policy, individuals enrolling in courses offered by recognized professional organizations which are not accredited through a college or university shall be eligible for up to a maximum of \$300.00 per fiscal year, to be paid upon the satisfactory completion of course work. The total monetary benefit shall not exceed the amount listed in the City Policy Manual.

ARTICLE X – DEFERRED COMPENSATION

- 10.1 The City shall match contributions by bargaining unit members to a deferred compensation program up to a maximum of 3% of the member's salary.

ARTICLE XI - UNIFORM ALLOWANCE

- 11.1 The City shall, on a one-time basis, provide each present and future employee with three department approved uniform shirts and three pair of department approved uniform pants of a flame retardant fabric. After this initial issue the maintenance and replacement of the uniform is the employee's responsibility.
- 11.2 The uniform allowance shall be \$950 per year, paid quarterly, as part of the last bi-weekly paycheck in the months of March, June, September, and December.

ARTICLE XII - WORKERS' COMPENSATION

- 12.1 In the event that a member of the LPF is disabled, whether temporarily or permanently, by injury or illness arising out of and in the course of his duties, he shall become entitled, regardless of his period of service with the City, to leave of absence while so disabled without loss of salary, in lieu of temporary disability payments, if any, which would be payable under this chapter, for the period of such disability but not exceeding one year, or until such earlier date as he is retired on permanent disability pension. (State of California Labor Code, Article 7, Section 4850.)

- 12.2 The City shall implement Article 4850.3 of the Labor Code which provides for advance disability payments prior to receipt of industrial disability retirement allowance to the member.

ARTICLE XIII- BILINGUAL PAY

- 13.1 Bilingual pay of \$150.00 per month shall be paid to all LPF members for speaking Spanish and/or Punjabi, subject to the eligible employee passing a proficiency exam administered and approved by the City.

ARTICLE XIV- LONGEVITY PAY

- 14.1 After completing ten years of service with the Lodi Fire Department, employees shall receive an annual longevity pay in the amount of \$1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Fire Department. Employees who have completed twenty years of service with the Lodi Fire Department will receive longevity pay in the amount of \$3,000 in November of the year following completion of twenty full years of service and each year thereafter.

For the purposes of this Article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Fire Department) shall receive the longevity pay associated with their years of service with the Lodi Fire Department.

The incentive in this Article is limited to employees hired prior to April 18, 2012.

Chapter 2. Leaves

ARTICLE XV- CATASTROPHIC LEAVE

15.1 LPF members shall be covered by and subject to the Citywide Catastrophic Leave Policy set forth in the City's current Administrative Policy Manual.

ARTICLE XVI- HOLIDAYS

16.1 Shift employees in the LPF shall earn 156 hours of holiday leave per year, and non-shift employees shall earn 108 hours. In January of each year, every employee's holiday account shall be credited with the appropriate hours based on the employee's current shift. Employees hired mid-year or terminating mid-year shall have holiday hours credited or deducted at the rate of 6.0 hours per pay period for shift employees and 4.15 hours per pay period for non-shift employees.

16.2 A shift employee may opt to schedule holidays or to be compensated at the straight time rate for all hours of holiday leave. During the course of the year, an employee who opted to use scheduled holidays may at their request and at the sole discretion of the Fire Chief, schedule a day off in lieu of cash payment. Each year, the pay period in which December 1 falls, employees shall be paid for the unused holidays at the straight-time rate as of December 31 of the year in which the holidays were earned.

16.3 The Fire Department will make every effort to avoid scheduling any non-emergency training or meetings on the following City observed holidays:

◇ New Year's Day	January 1
◇ Martin Luther King Day	3 rd Monday in January
◇ President's Day	3 rd Monday in February
◇ Memorial Day	4 th Monday in May
◇ Independence Day	July 4
◇ Labor Day	1 st Monday in September
◇ Thanksgiving Day	4 th Thursday in November
◇ Day after Thanksgiving Day	Friday following Thanksgiving Day
◇ Christmas Eve (four hours)	December 24
◇ Christmas Day	December 25

16.4 Nothing in this MOU is construed to change the manner in which holidays or vacations are scheduled.

16.5 It is mutually agreed that two represented employees per shift shall be allowed to schedule vacations or holiday time. Leave for sickness, injury, or leave for school shall not effect this time off.

ARTICLE XVII - LEAVES OF ABSENCE

- 17.1 The City and LPF mutually agree that inability to return to work after an employee's sick leave has been exhausted shall be considered an urgent and substantial reason for the granting of a leave of absence in accordance with the Leave of Absence policy in the City of Lodi Administrative Policy Manual.
- 17.2 The City interprets this Section as providing that the conditions under which an employee shall be restored to employment on the termination of leave of absence shall be stated as clearly as possible at the time by the City in conjunction with the granting of the leave of absence. The City reaffirms its policy that an employee's status as a permanent employee is not impaired by such leave of absence.
- 17.3 Employees who are placed in a Leave Without Pay status following the expiration of sick leave, vacation, or compensatory time off, such that the employee is no longer in a pay status shall not receive employer paid employment benefits. However, if the leave is for medical reasons the medical insurance will be carried for three months at the City's expense. Other health benefits may be continued at the employee's expense.
- 17.4 Medical leave shall be in accordance with the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or Pregnancy Disability Leave (PDL) and/or other applicable state and federal laws.

ARTICLE XVIII - SICK LEAVE

- 18.1 Shift employees shall accumulate sick leave with pay at the rate of 5.54 hours per pay period. Employees working a 40-hour week shall earn 3.70 hours per pay period.
- 18.2 Sick leave accumulated shall be unlimited.
- 18.3 One working day is defined as 12 work hours (1 duty day) for all LPF personnel working on a shift schedule.
- 18.4 Absence to care for a member of an employee's immediate family is authorization to use up to 72 hours of accumulated sick leave. Generally no more than 120 hours of family sick leave shall be approved in one calendar year.

ARTICLE XIX - VACATION**Non-Shift (40 hour work week) Employees:**Beginning with:

Date of Hire:	3.08 hours per pay period
6th year	4.62 hours per pay period
12th year	5.23 hours per pay period
15th year	6.16 hours per pay period
21st year	6.47 hours per pay period

22nd year	6.78 hours per pay period
23rd year	7.09 hours per pay period
24th year	7.40 hours per pay period
25th year	7.71 hours per pay period

Shift (56 hour work week) Employees:Beginning with:

Date of Hire:	5.54 hours per pay period
6th year	8.31 hours per pay period
15th year	11.08 hours per pay period
21st year	11.65 hours per pay period
22nd year	12.20 hours per pay period
23rd year	12.76 hours per pay period
24th year	13.32 hours per pay period
25th year/above	13.88 hours per pay period

Members of LPF will have the option of cashing out any vacation time in excess of two tours (96 hours) of duty. Members must utilize at least two tours of their vacation time each year. Members shall request a cash out of vacation time between November 1 and November 15 of each year and will receive the payout of vacation time at straight time pay on the first regularly scheduled pay check in December.

Chapter 3. Insurance and Retirement

ARTICLE XX – CHIROPRACTIC INSURANCE

- 20.1 Chiropractic services may be received by employees and dependents through a chiropractic insurance plan.
- 20.2 The City shall pay the full costs of premiums for the employee and dependent(s) during the life of this agreement.

ARTICLE XXI - DENTAL INSURANCE

- 21.1 The City shall provide Stanislaus Foundation dental plan or an equivalent level of benefits for the term of this agreement.
- 21.2 The City shall pay the increased cost of such premiums for the life of the agreement.

ARTICLE XXII - MEDICAL INSURANCE

- 22.1 All employees shall be offered medical insurance for themselves and dependents through CalPERS medical plans. The City shall pay 100% of the premium for the employees' family category (Single, Employee + 1, Family) for the lowest cost HMO available in Lodi's geographical area (excluding PORAC) as of January 1, 2014.

Effective January 1, 2014, the City's contributions to the premiums for medical insurance coverage will be capped at the following rates and employees shall be responsible for premium costs in excess of this amount:

\$657.33	per month for Employee only
\$1,314.66	per month for Employee +1
\$1,709.06	per month for Family

- 22.2 If an employee is otherwise covered by a medical plan and waives medical insurance through the City of Lodi, the employee may at their option take the following in cash or deposited into their deferred compensation account:

\$305.22	per month for Employee only
\$532.92	per month for Employee +1
\$692.81	per month for Family

In order to qualify, proof of group insurance must be provided to the city.

- 22.3 Notwithstanding any other provisions of this MOU, the parties agree to re-open Article XXII entitled: "Medical Insurance" for negotiation, solely limited to determining the amount the City of Lodi will contribute towards employee health plan premiums during calendar year 2016 and 2017, only in the event that the

premium for the lowest cost HMO in the Lodi geographical area increases 10% or more in 2016 or 2017.

ARTICLE XXIII - RETIREMENT PLAN

23.1 The City provides retirement benefits through the Public Employees Retirement System (PERS). Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 and deemed to be “classic” employees by PERS:

- Public Safety 3% @ 50 plan
- 1959 Survivor benefits - 3rd Level
- Single Highest Year
- Credit for Unused Sick Leave
- Military Service Credit
- 2% Annual Cost of Living (COLA) Increase
- Employee shall pay the full employee share of retirement costs to a maximum of 9% of salary

23.2 For employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

- Public Safety 3% @ 55 plan
- 1959 Survivors Benefit – Third Level
- Average of three highest consecutive years
- Credit for Unused Sick Leave
- Military Service Credit
- 2% Annual Cost of Living (COLA) Increase
- Employee shall pay the full employee share of retirement costs to a maximum of 9% of salary

23.3 The City agrees to provide the following PERS retirement program and pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

- Public Safety 2.7% @ 57 plan
- 1959 Survivors Benefit – Third Level
- Average of three highest consecutive years
- Credit for Unused Sick Leave
- Military Service Credit
- 2% Annual Cost of Living (COLA) Increase
- Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

23.4 To the extent permitted by PERS law, the parties intend the following items to be considered PERSable compensation:

- Salary
- Department sanctioned teams
- Education/certification incentives
- Uniform allowance
- Longevity pay
- Bilingual pay
- Holiday pay
- FLSA pay

ARTICLE XXIV - SICK LEAVE CONVERSION

24.1 For all unused sick leave, a represented employee with ten years of employment with the City shall be eligible to receive medical, dental and vision insurance coverage upon retirement (but not upon resignation, transfer or termination) on the following basis:

After 10 years of employment by the City, the number of hours of unused sick leave shall be reduced by 16 2/3%. The remaining balance shall be converted into an equivalent number of days. (**NOTE:** A day is equivalent to 12 hours for employees on a 56-hour week schedule and 8 hours for an employee on a 40-hour week schedule). The number of days shall be multiplied by the then current monthly premium being paid by the City for the employee and if applicable his dependents, subject to the cap shown in Article XXII. 50% of that dollar value shall be placed into a "bank" to be used for medical, dental and vision insurance premiums for the employee and dependent. For each year that an employee has been employed in excess of 10 years, 2 1/2% shall be added to the 50% before valuing the unused sick leave, not to exceed 100% of that dollar value.

For example:

Robert Smith retires with 20 years of service and 1800 hours of unused sick leave. City paid monthly medical insurance premiums are \$344.45 for him and his wife.

$$\begin{aligned} 1800 - (1800 \times 16 \frac{2}{3}) &= 1500 \text{ hours} \\ 1500 \div 12 &= 125 \text{ days} \times 75\% = 93.75 \\ 93.75 \times \$344.45 &= \$ 32,292.19 \end{aligned}$$

This amount shall be reduced each month by the current premium(s) for the employee and dependent until the balance is gone. In the event the retiree dies the remaining bank shall be reduced by 50% and the survivor may use the bank until the balance is gone.

- 24.2 In the event an active employee dies before retirement and that employee is vested in the sick leave conversion program, the surviving dependents shall have an interest in one-half the value of the bank as calculated in Section 24.1.
- 24.3 Represented employees who retire on a service retirement and are eligible to convert accrued, unused sick leave into City paid insurance upon retirement shall be given the option of purchasing, at the retiree's cost, additional insurance for a period of time equal to the period of time for which they received City paid insurance upon retirement.
- Employee's option shall be exercised upon expiration of the City paid coverage.
- 24.4 In accordance with the sick leave conversion provision outlined in this MOU, a surviving spouse of either an active or retired member may be continued on the medical insurance plan and/or dependent coverage at the appropriate premium for the same period as if the employee had not died.
- 24.5 An employee eligible for the sick leave conversion program defined in Section 24.1 may choose instead to receive a cash settlement for all or part of unused sick leave at the rate of \$.30 on the dollar. Under this provision, the employee's sick leave balance at the time of retirement shall be converted to dollars at the employee's current pay rate.
- 24.6 Out of area retirees may receive reimbursement for insurance premiums up to the City's liability as specified in Section 24.1.
- 24.7 The City shall modify its contract with PERS to add credit for unused sick leave per Government Code Section 20862.8. This benefit is available to all employees regardless of the date hired; however, it is the only sick leave conversion benefit available to employees hired after December 6, 1995. Reporting of unused sick leave shall be pursuant to PERS regulations on said issue. If an eligible employee opts to utilize the provisions of Section 24.1 the City shall report to PERS they have zero (0) hours of unused sick leave.

ARTICLE XXV- VISION CARE

- 25.1 The City shall provide and pay for a vision care plan underwritten by VSP or comparable vision care plan. Such comparable vision care plan shall be the same as the plan offered to mid and executive management employees in the City. The plan shall have a \$25 deductible, shall provide annual examinations and lenses. Frames are available every two years.

Chapter 4. Safety

ARTICLE XXVI - SAFETY COMMITTEE

26.1 A six-member Joint Safety Committee shall be formed to include three members of the LPF. This committee shall be charged with reviewing and making proposed solutions to items relating to safety standards, equipment, procedures, clothing and other safety related matters.

Chapter 5. Work Hours, Schedules, Meals

ARTICLE XXVII- 56-HOUR WORK WEEK

27.1 The work schedule will be a schedule of “56-hours per week” with two on-duty shifts in six 24-hour periods. For purposes of the FLSA, it is mutually understood the City has declared a 24 day work cycle.

For purposes of overtime calculations under the FLSA, sick leave, vacation leave, compensatory time, and holiday leave will be considered time worked.

27.2 If an employee assigned to a 56-hour work week schedule terminates his/her employment in the middle of a two week payroll cycle, the employee’s pay for that cycle shall be computed by multiplying the number of days between the first day of the payroll cycle and the last shift worked by eight (8) hours or the number of actually worked in that payroll cycle, whichever is greater.

27.3 It is agreed that the work schedule of the Fire Inspector and the Administrative Captain is a 40-hour week and that all holiday, vacation, and sick leave benefits are based on a 40-hour week rather than a 56-hour week.

27.4 Effective May 25, 2015, the following formulas will be used in order to convert all accrued leave hours for employees that move from a 40-hour work week to a 56-hour work week or from a 56-hour work week to a 40-hour work week:

For conversion from 40 to 56 hours	Multiply by 1.4
For conversion from 56 to 40 hours	Multiply by 0.7143

Thereafter, accruals shall be earned based on the assigned work schedule.

ARTICLE XXVIII - SHIFT TRADES

28.1 It is mutually agreed that each employee may trade shifts.

A firefighter while on initial probation may initiate shift trades for a hardship, in writing, with approval from their Captain and Battalion Chief. Shift trades for probationary firefighters are acceptable for attendance at approved training classes or seminars only.

28.2 It is expressly understood that shift trades are requested by employees on a voluntary basis and are granted exclusively for employee convenience.

28.3 A shift trade commitment shall be considered the equivalent of the employee’s regularly assigned work day. Any member of the bargaining unit who agrees to a shift trade, but fails to report to work the agreed shift without a valid excuse may be subject to disciplinary action. An employee who agrees to exchange time with another employee and who then fails to report to work the agreed time because of

illness, or who reports, but leaves early due to illness, may be required to provide a doctor's note to verify the illness.

- 28.4 In the event that the person who had agreed to work is unable to do so, he/she shall make the necessary arrangements to fulfill the obligation. This can be accomplished by: trading with another employee meeting the shift trade requirements; forfeiting sick, holiday, compensatory time, or vacation time, whichever is appropriate based on department policy; or injury leave if appropriate.

Chapter 6. Association/City Issues

ARTICLE XXIX - ALCOHOL, SMOKING AND DRUGS

- 29.1 No member of the Fire Department hired after October 1, 1987 may at any time use any form of tobacco. This prohibition is considered a condition of employment.
- 29.2 The LPF shall be covered under the *Drug-Free Workplace* policy and procedure. In addition, the LPF shall be covered under the *Drug and Alcohol Testing* policy and procedure with the exception of random testing. (Section 34520(e) of the California Vehicle Code exempts fire employees from the provisions of the Omnibus Transportation Employee Testing Act of 1991.)
- 29.3 In the event an employee is involved in an accident while operating a City vehicle the employee shall not leave the scene of the accident until a determination for drug and/or alcohol testing has been made by the appropriate supervisor.
- 29.4 In the event an employee is being referred to drug and/or alcohol testing, the employee shall have the right to representation or a witness. The witness may include an on-duty employee, as long as there is no interference with business necessity.
- 29.5 Supervisors directing an employee to drug and/or alcohol testing shall document at the time of direction the reason(s) for such determination of the *Reasonable Suspicion Test* form, and present that form to the employee.
- 29.6 The reporting of prescription medication being taken by an employee to his/her supervisor shall be kept in confidence.
- 29.7 In the event an employee's locker or storage area is to be searched, the employee shall have the right to representation or a witness. The witness may include an on-duty employee, as long as there is no interference with business necessity.
- 29.8 If a member of the Fire Department has a drug, tobacco or alcohol problem or dependence, the City shall pay the difference between the employee's insurance and the cost of an appropriate rehabilitation program.
- 29.9 All supervisory employees, including those in the rank of Fire Captain, shall attend training on making a reasonable suspicion determination of being under the influence of drugs and/or alcohol, and the appropriate referral process. Such training shall be provided by the City of Lodi. Non-supervisory employees may attend the training provided that there is adequate attendance capacity, and that the cost of the training shall be borne by the employee.

ARTICLE XXX - CITY RIGHTS

30.1 It is further understood and agreed between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include, but are not limited to, the exclusive rights:

- ◇ to determine the mission of its constituent departments, commissions and boards;
- ◇ to set standards of service;
- ◇ to determine the procedures and standards of selection for employment;
- ◇ to direct its employees; to maintain the efficiency of governmental operations;
- ◇ to determine the methods, means and personnel by which government operations are to be conducted;
- ◇ to take all necessary actions to carry out its mission in emergencies; and
- ◇ to exercise complete control and discretion and the technology of performing its work.

30.2 City rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to take disciplinary action, and to determine the content of job classifications; provided, however, that the exercise by the City of the rights in this paragraph does not preclude employees or their recognized employee organizations from filing grievances regarding the practical consequences that decisions on such matters may have on wages, hours or other terms and conditions of employment.

30.3 Per Side Letter dated September 14, 2011: The Lodi Professional Firefighters (LPF) recognizes and accepts the City's right to determine the procedures and standards of selection for promotion. This recognition does not preclude the LPF from discussing with the City the LPF's point of view as it relates to the timeliness and necessity of promotions. The merits of each promotion should be discussed by both parties with the intent of reaching an understanding. It is the LPF's contention that economics is one component and should not be the sole deciding factor when determining whether to promote or not. It is through joint discussions that the City and the LPF believe resolution can be found.

ARTICLE XXXI – COMPLETE AGREEMENT

31.1 The parties acknowledge that during the negotiations which resulted in this MOU, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the scope of negotiations, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in the MOU. Any other prior existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

- 31.2 Per the Side Letter signed on May 20, 2004: Except as required by operational/or business necessity impacting City employees as a whole, there shall be no changes to the Rules for Personnel Administration during the term of this MOU. This does not prevent the parties from mutually agreeing to meet and confer over proposed changes to the Rules during the term of this MOU.

ARTICLE XXXII - CONCERTED ACTIVITIES

- 32.1 Represented employees agree that they shall not strike, withhold services, engage in “slowdowns” or “sick ins” or participate in any other form of concerted activity which is intended to or which does adversely affect job performance or rendering of City services.

ARTICLE XXXIII - EMPLOYEE REPRESENTATION

- 33.1 This Memorandum of Understanding (hereinafter referred to as "MOU") is entered into between representatives of the City of Lodi (hereinafter referred to as "City") and representatives of the Lodi Professional Firefighters (hereinafter referred to as "LPF").

The parties to this MOU acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq. of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth in this MOU.

The terms and conditions of this MOU are applicable to those employees in those positions represented by the LPF of the City of Lodi, i.e., Firefighter I, Firefighter II, Fire Engineer, Fire Captain, and Fire Inspector. It is mutually agreed that wages, hours, and other terms and conditions of employment of such employees shall be as hereinafter set forth. Except as specifically stated in this Memorandum, all existing benefits currently being furnished to employees and all existing terms and conditions of employment are to continue in effect unless and until the parties meet and confer regarding a change in such existing benefits, terms or conditions of employment.

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

- 33.2 The City and the LPF mutually agree that the City shall grant dues deduction to City employees who are members of the LPF in accordance with the terms and conditions set forth in Section 4, Rule 2 of City of Lodi Resolution No. 3344 entitled "Adopting Rules and Regulations to Implement Provisions of the Employee-Employer Relations Resolution." The LPF shall indemnify, defend and hold the City of Lodi harmless against any claims made and against any suit instituted against the City of Lodi on account of check-off of said employee organization's dues. In addition, the LPF shall refund to the City of Lodi any amounts paid to it in error upon presentation of supporting evidence.

Changes in the LPF membership dues rate shall be certified to the City, in writing, over the signature of the LPF President. The change shall be implemented as soon as practicable, but in no event later than thirty (30) days after the notification.

- 33.3 LPF shall maintain exclusive representation rights during the term of this MOU. Every employee covered by this MOU who is a member of LPF twenty (20) days after the signing of this MOU shall, as a condition of employment, maintain his or her membership in good standing in accordance with the Constitution and Bylaws of the LPF during the term of this agreement.
- 33.4 No employee covered by this Memorandum of Understanding shall be discriminated against by the City or by the Union with respect to any job benefits or other conditions of employment accruing from this agreement because of union membership, non-membership in the union, race, color, sex, creed, national origin, marital status, disability or political affiliation. It is understood that violations of this section are not subject to arbitration.
- 33.5 The City shall make available a period of one hour to the LPF in each recruit class with an end toward education of each employee of the rights and benefits under the collective bargaining agreement, as well as other association benefits, and the responsibilities of the employee and the association.
- 33.6 The City and LPF agree and understand that if any section of this MOU in any way conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure manual, city resolutions, or city ordinances, any ambiguity shall be resolved in favor of the MOU language. If the MOU is silent on an issue, the current applicable document (i.e. policy manual) is controlling.
- 33.7 Beginning January 1, 2014, and each January 1 thereafter, the Lodi Professional Firefighters Association will notify the City of the hours to be deducted from each member's last pay check in February (not to exceed 10 hours annually) for the Union Leave Bank. The hours will be deducted from the employee's holiday leave bank. Requests to use another leave bank must be submitted to payroll two (2) weeks prior to the deduction date. Union Leave Bank hours may not exceed more than 600 hours on a yearly basis. The President of the Lodi Professional Firefighters shall designate members that can use the hours. Hours may be donated from member's vacation leave, holiday leave or compensatory time off. The Union Leave Bank shall be charged an equivalent amount of time required to cover the absence of the member utilizing the LPF bank, including any overtime required to cover the shift.

ARTICLE XXXIV - GRIEVANCE PROCEDURE

34.1 This grievance procedure shall be used to process and resolve disputes regarding the interpretation or application of any of the terms and conditions of this MOU, letters of understanding, and formal interpretations and clarifications executed by the LPF and the City.

The intent of this procedure is to resolve grievances informally at the lowest possible level and to provide an orderly procedure for reviewing and resolving grievances promptly.

The term "day" means a working day i.e. Monday through Friday excluding fixed City Hall closures.

A grievance is a good faith complaint of one or a group of employees or a dispute between the City and the LPF involving the interpretation, application, or enforcement of the express terms of this MOU and other express written terms and conditions of employment or clear past practices.

As used in this procedure, the term "party" means an employee, the LPF, the City or the authorized representatives of any party. The employee is entitled to representation through all the steps in this procedure.

Matters of discipline are to be handled exclusively in accordance with the provisions of section 34.4.

34.2 INFORMAL PROCEDURE

The informal procedure must be used as an initial step in all grievances. An employee or their representative having a grievance arising from employment in the municipal service shall seek adjustment of the grievance initially through verbal contact with their immediate supervisor within twenty (20) working days of the date of the action being grieved, or the date the grieving party became aware of the incident which is the basis of the grievance. The employee or his/her representative shall state the nature of the grievance and any pertinent information required for the supervisor to sufficiently investigate the incident and resolve the grievance. Should the immediate supervisor be unable to make a satisfactory adjustment, the employee or their representative may seek adjustment through verbal contact to the next higher level of supervision up to and including the Fire Chief. The time allowed between steps in this process is ten (10) working days. All verbal contacts shall be documented as to the date, time and place of the contact.

In matters involving disputes between two employees (including personality conflicts between and employee and his/her supervisor), the two employees should meet in an attempt to resolve their differences. If they cannot resolve the issues between themselves, the complaint procedure outlined in the Lodi Fire Department Policy Manual shall be used as the Informal Grievance Procedure.

Should the employee progress through the above steps and find that the Fire Chief is unable to make a satisfactory adjustment within the time frame given, or is a party to the grievance, the employee or his representative may seek adjustment through the Formal Grievance Procedure.

34.3 FORMAL PROCEDURE

An employee who has not received satisfactory adjustment through the use of the Informal Grievance Procedure may, within ten (10) working days of the last time deadline of the Informal Procedure, file a Formal Grievance. Initiation of the formal grievance procedure requires that the grievance be submitted in writing. The steps of the Formal Grievance Procedure are as follows:

Step A. Class Action Grievances or a Lodi Fire Department Grievance Form is filed with the Fire Chief. If satisfactory adjustment is not attained the employee or his/her representative may proceed to Step B within ten (10) working days.

Step B. Class Action Grievances or A Lodi Fire Department Grievance Form is filed with the City Manager. The City Manager or designee shall investigate the grievance and shall respond in writing within ten (10) working days. If satisfactory adjustment is not attained the employee or his representative may proceed to Step C within ten (10) working days.

Step C If the grievance is not resolved by the City Manager or designee, arbitration shall be the final level of appeal for grievances and discipline. It is agreed by both parties that the decision of the arbitrator is binding and final on both parties and that if this procedure is utilized all other avenues of appeal are waived. If arbitration is chosen the City must be notified by the grievant or his/her representative within fifteen (15) working days following the City Manager's decision.

Within ten (10) working days after the request for arbitration is received by the City or at a date mutually agreed to by the parties, the parties shall meet to select an impartial arbitrator. If no agreement is reached at this meeting, the parties shall immediately and jointly request the State Conciliation and Mediation Service to submit to them a panel of five (5) arbitrators from which the City and the LPF shall alternately strike names until one (1) name remains; this person shall be the arbitrator. If the State Conciliation and Mediation Service cannot provide a list of five (5) arbitrators, the same request shall be made of the American Arbitration Association.

To insure that the arbitration process is as brief and economical as possible, the following guidelines shall be adhered to:

1. An arbitrator may, upon mutual consent of the parties, issue a decision, opinion or award orally upon submission of the arbitration.
2. Both parties and the arbitrator may tape record the hearing.
3. There shall be no official transcript required; however, either party may utilize a court reporter at its own sole expense. The cost of a court reporter required by an arbitrator shall be shared equally by the parties.
4. The parties may agree to prepare a joint letter submitting the issue(s) in dispute. The letter shall present the matter on which arbitration is sought and shall outline the MOU provisions governing the arbitration. It may contain mutually agreed on stipulations of fact and it may be accompanied by any documents that the parties mutually agree shall be submitted to the arbitrator in advance of the hearing which may not necessarily be stipulations of fact. Further, if the parties mutually agree, the entire matter may be submitted to arbitration for review without a hearing. Absent agreement to prepare a joint letter, the parties may submit separate letters.
5. The strict rules of evidence are not applicable but shall be of a type or kind relied upon by prudent people in the conduct of serious business and the hearing shall be informal.
6. The parties have the right to present and cross examine witnesses issue opening and closing statements, and file written closing briefs. Testimony shall be under oath or affirmation.
7. The arbitrator may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.
8. The arbitrator may exclude witnesses and observers from the hearing at his or her discretion.
9. The arbitration hearing shall be held on the employer's premises.
10. The cost of arbitration shall be borne equally by the parties. However, the cost, if any, of cancellation or postponement shall be the financial responsibility of the party requesting such delay unless mutually agreed by the parties.

The decision, opinion, or award shall be based on the record developed by the parties before and during the hearing, unless otherwise agreed to by the parties. The decision shall be in writing and shall contain the crucial reasons supporting the decision and award.

The arbitrator has no power to add to, subtract from, or modify the terms of the MOU or the written ordinances, resolutions, rules, regulations and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of the MOU. The arbitrator shall be without power or authority to make any decision that requires the City or management to do an act prohibited by law.

The arbitrator has no power to add to a disciplinary action.

The arbitrator's decision shall be final, binding, and precedential and the arbitrator's decision shall possess the authority to make an employee whole to the extent such remedy is not limited by law, including the authority to award back pay, reinstatement, and to issue an order to expunge the record of all references to a disciplinary action if appropriate.

If the City believes that the matter is not arbitrable and/or not grievable, the matter shall be bifurcated. The parties shall select an arbitrator to hear the issue of arbitrability only. In the event that the arbitrator determines the matter to be arbitrable, the parties shall select a second arbitrator to hear the merits of the case.

By filing a grievance and processing it beyond the City Manager the grievant expressly waives any right to statutory remedies for the same contract remedies that were available through arbitration or to the exercise of any legal process other than is provided by the grievance/arbitration procedure for those contractual remedies under this contract. The process in a grievance beyond the City Manager shall constitute an express election on the part of the grievant that the arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant shall not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of these paragraphs to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

Allegedly discriminatory acts by the city may be addressed through the judicial system, DFEH, EEOC, and/or the City's internal complaint procedure system as provided by law. Allegedly discriminatory acts are not subject to this procedure.

34.4 GRIEVANCE INVOLVING A DISCIPLINARY ACTION

This section sets forth the exclusive means for grieving disciplinary actions in the form of a written reprimand, demotion, suspension or dismissal. In the event the

employee wishes to challenge the City Manager's final decision on such discipline, the employee shall appeal the decision to binding arbitration, commencing with Step C of Article 34.3 of this MOU. All other, lesser forms of discipline shall be reviewable by the Fire Chief without a further right of appeal.

ARTICLE XXXV - LAYOFF PROCEDURE

35.1 It is mutually agreed by both parties that the layoff procedure, incorporated in the Policy and Procedure manual, dated May 1, 1995 is included in this MOU by reference and it is further agreed that both parties interpret it to mean that time served in a higher level shall be counted at a lower level for purposes of determining order of layoff.

ARTICLE XXXVI - PHYSICAL FITNESS

36.1 It is agreed that the physical fitness program shall be continued and shall meet the following goals:

1. Provide a complete physical examination on an annual basis. These examinations to be performed by professional medical staff contracted for by the City.
2. Provide a fitness assessment which will evaluate each individual employee's fitness as compared to the YMCA normative scores which are defined as:

"a percentage based on fitness evaluations performed by the YMCA and are categorized according to age group and sex."

The fitness assessments shall be performed by professional assessors contracted for by the City.

3. Provide an individual program of exercise based on age, sex and present physical condition.
4. Provide attainable goals for each individual which would be measurable through the fitness assessment provided.
5. Provide for in-house exercise activities.
6. Provide an exercise program which shall improve cardiovascular conditioning, body fat composition, flexibility, grip strength, abdominal strength, low back strength, chest (arm) strength, back strength, quadriceps and hamstring strength.

It is further agreed that:

1. The program shall be mandatory for all employees in the bargaining unit.

2. The program shall be scheduled as a high priority item and work out times shall normally be available between 0800 and 1700 hours excluding lunch period and breaks. The City shall provide adequate equipment to carry out the intent of the program.
3. The equipment used for this program is not to be used by anyone other than City of Lodi Fire personnel.
4. Confidentiality of records shall be maintained for the protection of the employees.

ARTICLE XXXVII - PROBATION

- 37.1 During probationary period, twelve (12) months, the new hire or promotional employee shall be entitled to sick leave benefits. Upon completion of probation, employees are eligible for merit increases.
- 37.2 Employees on initial probation may not utilize vacation accruals.
- 37.3 Probationary releases are appealable only to the extent required by law.

ARTICLE XXXVIII - SEVERABILITY

- 38.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

ARTICLE XXXIX – MISCELLANEOUS

- 39.1 LPF and the City of Lodi will meet and confer on entry level minimum qualifications.

SCHEDULE A

LPF Positions

Effective January 5, 2015

Title	Step 0	Step 1	Step 2	Step 3	Step 4
Fire Captain	\$ 6,474.31	\$ 6,798.02	\$ 7,137.92	\$ 7,494.81	\$ 7,869.56
Fire Engineer	\$ 5,592.76	\$ 5,872.39	\$ 6,166.01	\$ 6,474.31	\$ 6,798.02
Firefighter I	\$ 4,382.06				
Firefighter II	\$ 4,831.19	\$ 5,072.75	\$ 5,326.38	\$ 5,592.70	\$ 5,872.33
Fire Inspector	\$ 5,872.39	\$ 6,166.01	\$ 6,474.31	\$ 6,798.02	\$ 7,137.93

LODI PROFESSIONAL FIREFIGHTERS

CITY OF LODI
A MUNICIPAL CORPORATION

Oscar Picazo
Fire Captain

Stephen Schwabauer
City Manager

Date: _____

Date: _____

William Broderick
Fire Captain

Jordan Ayers
Deputy City Manager

Date: _____

Date: _____

Justin Porter
Firefighter

Adele Post
Human Resources Manager

Date: _____

Date: _____

APPROVED AS TO FORM:

Janice D. Magdich, City Attorney

ATTEST:

Jennifer M. Ferraiolo, City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Introduce Ordinance Amending Lodi Municipal Code Title 15 “Buildings and Construction,” by Repealing and Re-enacting Chapter 15.65 “San Joaquin County Regional Transportation Impact Fee” in its Entirety

MEETING DATE: July 15, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Introduce ordinance amending Lodi Municipal Code Title 15 “Buildings and Construction,” by repealing and re-enacting Chapter 15.65 “San Joaquin County Regional Transportation Impact Fee” in its entirety.

BACKGROUND INFORMATION: Lodi Municipal Code (LMC) Chapter 15.65 regarding “San Joaquin County Regional Transportation Impact Fee” was first introduced on December 21, 2005 and was adopted on January 4, 2006.

Staff has reviewed the City’s existing LMC and has revised the chapter and sections to comply with the recently approved San Joaquin County Regional Transportation Impact Fee Program Operating Agreement. A summary of the changes is provided below.

1. Clarifies language for the RTIF annual fee adjustment to specify use of a simple three-year rolling average based on the California Construction Cost Index.
2. Clarifies the definition of the Warehouse and Industrial land use categories.
3. Clarifies language for the “per trip” calculation for trip generating land uses that do not conform to other land use categories as specified in the technical analysis.
4. Clarifies language related to consistency with the Regional Transportation Plan and the certified Environmental Impact Report.
5. Changes the timing of program fee payments from quarterly to semi-annually on February 28th and October 15th.
6. Changes reporting to SJCOG board from semi-annual to annual by October 15th.
7. Changes project selection criteria for economic incentive funding to include criteria for the new category of projects funded by the Jobs Balancing Investment Fund.

Staff recommends that the City Council introduce the ordinance repealing and re-enacting the referenced municipal code chapter. The changes to the LMC Chapter 15.65 are presented in Attachment A.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/fws/tb
Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING LODI MUNICIPAL CODE TITLE 15,
"BUILDINGS AND CONSTRUCTION," BY
REPEALING AND REENACTING CHAPTER 15.65 -
SAN JOAQUIN COUNTY REGIONAL
TRANSPORTATION IMPACT FEE IN ITS ENTIRETY

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Title 15, "Buildings and Construction," of the Lodi Municipal Code is hereby amended by repealing and reenacting Chapter 15.65 - San Joaquin County Regional Transportation Impact Fee in its entirety, and shall read as follows:

CHAPTER 15.65

SAN JOAQUIN COUNTY REGIONAL TRANSPORTATION IMPACT FEE

SECTIONS:

- 15.65.010 Purpose, Findings, and Declaration of Intent
- 15.65.020 Definitions
- 15.65.030 Authority for Adoption
- 15.65.040 Collection of RTIF Program Fees
- 15.65.050 Fee Rate and Calculation
- 15.65.060 Administration of the RTIF Program
- 15.65.070 Existing City of Lodi Development Impact Mitigation Fee Program

15.65.010 Purpose, Findings, and Declaration of Intent

- A. In order to implement the goals and objectives of the general plan and to mitigate impacts caused by new development with the County of San Joaquin, a Regional Transportation Impact Fee Program is necessary. The program is needed to finance regional-serving transportation and transit improvements.
- B. Substantial population and employment growth is expected in San Joaquin County through 2025 and beyond. This growth will cause impacts on the Regional Transportation Network ("Regional Transportation Network" or "RTIF Network") including increased congestion and related impacts unless substantial improvements are completed. The Regional Transportation Impact Fee Program ("RTIF Program") is intended to impose a fee to provide funding for transportation and transit improvements that help mitigate these impacts.
- C. New development throughout the County will be subject to the fee which will be proportional to the impact caused on the Regional Transportation Network by such new development.
- D. The funding derived from the RTIF Program shall be used in combination with other funding available to complete the needed transportation and transit improvements. In the absence of an RTIF Program, existing funding sources, including federal, State, and local sources, will be inadequate to construct the Regional Transportation Network required to avoid the unacceptable levels of traffic congestion and related adverse impacts.

15.65.020 Definitions

- A. "Development Project" or "Project" means any project undertaken for the purpose of development including the issuance of a permit for construction or reconstruction, but not a permit to operate.
- B. "Industrial Project" means any Development Project that proposes manufacturing, transportation, or logistics, ~~or warehousing~~ as identified in the RTIF Land Use Fee Category Summary.
- C. "Measure K" means the San Joaquin County Transportation Authority Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance, which establishes and implements a retail transactions and use tax, as may be extended from time to time.
- D. "Multi-Family Residential Unit" means a Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments as identified in the RTIF Land Use Fee Category Summary.
- E. "Office Project" means any Development Project that involves business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal and laundry services, or similar uses, and religious centers as identified in the RTIF Land Use Fee Category Summary.
- F. "Participating Agencies" means the County of San Joaquin and each of the cities situated in San Joaquin County if such agencies have (1) adopted the RTIF Program Fee by ordinance and/or resolution and (2) entered into the Operating Agreement.
- G. "Regional Transportation Impact Fee Program" or "RTIF Program" is the regional program established by the Operating Agreement by the Participating Agencies and SJCOG to impose, collect, and distribute a RTIF Program Fee to assist in the funding of transportation improvements to the Regional Transportation Network.
- H. "Regional Transportation Impact Program Fee" or "RTIF Program Fee" or "RTIF Fee" means the fee established by each Participating Agency consistent with the RTIF Program and the Operating Agreement.
- I. "Regional Transportation Network" means the regional network of highways and arterials as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG.
- J. "RTIF Capital Projects" or "Capital Projects" or "RTIF Project List" is the RTIF Program improvements and projects as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG's adoption and amendment of a "RTIF Capital Projects Report."
- K. "RTIF Capital Projects Report" means the report adopted by SJCOG annually which identifies the RTIF Capital Projects as amended from time to time by SJCOG consistent with the RTIF Program and the Operating Agreement.
- L. "RTIF Operating Agreement" or "Operating Agreement" is the Regional Transportation Impact Fee Program Operating Agreement establishing the administration of the RTIF Program as adopted by each Participating Agencies and SJCOG which may be amended from time to time by the parties thereto.

- M. "RTIF Technical Report" means the San Joaquin County Regional Transportation Impact Fee RTIF Technical Report dated October 27, 2005, and prepared pursuant to California Government Code, Section 66000 et seq., the Mitigation Fee Act.
- N. "Residential Dwelling Unit" means a building or portion thereof which is designed primarily for residential occupancy by one family including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.
- O. "Retail Project" means any Development Project that retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise at a fixed point of sale as identified in the RTIF Land Use Fee Category Summary.
- P. "Single-Family Residential Unit" means the use of a parcel for only one residential dwelling unit as identified in the RTIF Land Use Fee Category Summary.
- Q. "Warehousing Project" means any Development Project that is primarily devoted to the storage of materials. Examples include self-storage facilities, distribution centers used for storage of finished material prior to distribution to retail centers or other storage facilities, as identified in the RTIF Land Use Fee Category Summary.
- R. "Non-Conforming Land Use" means any Development Project not adequately represented in the RTIF Land Use Fee Category Summary and is typically a non-retail, non-residential development project that has minimal or no building area and yet would generate impacts at a level that is significantly more than represented in the RTIF Land Use Fee Category Summary. Examples are projects related to mining, intermodal facilities, agriculture, and outdoor recreation. For these non-conforming land use projects the "per trip" calculation in the RTIF Land Use Fee Category Summary is applied.
- S. "On-Going Third Party Costs" means costs to implement the RTIF program associated with outside professional services secured by SJCOG.

15.65.030 Authority for Adoption

This chapter is adopted under the authority of Title 7, Division 1, Chapter 5 of the California Government Code Sections 66000 et seq. (Ord. 1758 § 1 (part), 2005).

15.65.040 Collection of RTIF Program Fees

- A. Authority of the Public Works Director. The Public Works Director, or his/her designee, is hereby authorized to levy and collect the RTIF Program Fee and make all determinations required by this Ordinance.
- B. Payment of RTIF Program Fees. Payment of the RTIF Program Fees shall be as follows:
1. The RTIF Program Fees shall be paid at the time of issuance of a building permit for the Development Project, or as otherwise required or permitted pursuant to Government Code section 66007.
 2. The amount of the RTIF Program Fees shall be the fee amounts in effect at the time of payment.
 3. RTIF Program Fees shall not be waived.
- C. Payment by all Development Projects. Except as otherwise expressly provided by this

Ordinance, the RTIF Program Fee required hereunder shall be payable by:

1. All Development Projects within the City for which building permits or other entitlements for Development Projects are issued on or after the effective date of this Ordinance, and
2. All Development Projects within the City for which building permits or other entitlements for Development Projects were issued prior to the effective date of this Ordinance and which permits or entitlements were issued subject to a condition requiring the developer to pay a RTIF Program Fee to be imposed upon such Development Project within the City.

D. Exemptions from the RTIF Program Fee. The following Development Projects shall not be subject to the RTIF Program Fee:

1. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing legal dwelling unit, including an expansion of an existing dwelling unit that does not create an additional dwelling unit.
2. The rehabilitation and/or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
3. Development Projects for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete on or prior to the effective date of the introduction of this Ordinance.
4. Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq. prior to the effective date of the initial adoption of this Ordinance, wherein the imposition of new fees are expressly prohibited by the development agreement, provided, however, that if the term of such a development agreement is extended after the effective date of this Ordinance, the RTIF Program Fee shall be imposed.

E. Future Development Agreements. All future development agreements entered into after the effective date of this Ordinance shall require the full payment of the RTIF Program Fee.

1. Payments for non-residential projects. For non-residential projects the amount of the fee imposed on the entire Development Project shall be determined based upon:
 - (a) The gross floor area; and
 - (b) The predominant use of the building or structure as identified in the building permit.
2. Payment for mixed use projects. For mixed land use projects, which are projects that have both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the following:
 - (a) The fee associated with the type of residence; and
 - (b) The predominant use of the non-residential portion of the project.

- F. Previously Paid RTIF Program Fees. In the event that RTIF Program Fees have previously been paid for an existing building which is a new Development Project with a new or different RTIF Fee category, the previously paid RTIF Program Fees for that existing building shall be credited against the amount of the RTIF Program Fee attributable to the new Development Project, up to the amount of the previously paid RTIF Program Fee. A rebate will not be granted if the change in land use represents a lower fee.
- G. Reimbursements and Credits. In the event that RTIF Capital Projects are constructed by a developer in excess of the Development Project's RTIF Program Fee obligation or in lieu of payment of RTIF Program Fees by a developer pursuant to an agreement between the developer and the City, the developer may be reimbursed or credited for future application for any costs based on the actual costs of construction of the RTIF Capital Project incurred by the developer in excess of the amount the RTIF Program Fees that apply to the Development Project.

15.65.050 Fee Rate and Calculation

- A. Establishing the RTIF program fee. The amount of the RTIF program fee for development projects shall be consistent with the provisions of this ordinance and the RTIF technical report and shall be established by a resolution of the City Council.
- B. Annual adjustment. The RTIF Program Fee shall be automatically adjusted on an annual basis at the beginning of each fiscal year (July 1) based on the arithmetic average of the annualized percentage change of the Engineering News Record 20-Cities-California Construction Cost Index (CCCI) for each of the three most recent years.

15.65.060 Administration of the RTIF Program

- A. RTIF account or RTIF funds. All fees collected pursuant to the RTIF Program Fee shall be deposited in a RTIF account or RTIF fund and shall not be commingled with other funds. The contents of this RTIF fund shall be designated solely for the purpose of contributing to the financing of the RTIF Capital Projects included in the RTIF Capital Projects Report and for the funding of incidental administrative costs. Any interest income earned on the RTIF fund shall also be deposited therein and shall only be expended for the purposes as set forth in this Ordinance.
- B. Prohibition on Interfund Transfers or Loans. Notwithstanding subsection (b)(1)(G) of section 66006 of the Government Code there shall be no interfund transfer, grant, or loan of the RTIF Program Fees or RTIF fund or RTIF account to other City accounts, funds, programs, or fees. However, the City may provide loans, grants, or transfers of RTIF Program Fees to other Participating Agencies or SJCOG provided that such funds are consistent with the RTIF Program and used for the development or construction of RTIF Capital Projects.

15.65.070 Existing City of Lodi Development Impact Mitigation Fee Program

- A. The City of Lodi Development Impact Mitigation Fee program pursuant to Lodi Municipal Code Title 15 Chapter 15.64 shall be adjusted on any future projects that are identified in the approved RTIF Project List to ensure continued compliance with the Fee Mitigation Act (Gov. Code §§ 66000 et seq.).

Section 2 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3 - Severability. If any one or more of the terms, provisions, or sections of this Ordinance shall to any extent be judged invalid, unenforceable, and/or avoidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi with the names of the members voting for and against same and shall be in force and take effect 30 days from and after its passage and approval.

Approved this ____ day of _____, 2015.

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAILOLO
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held July 15, 2015, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution of Intention to Establish the Lodi Tourism Business Improvement District; and Resolution Requesting Consent of the County of San Joaquin to Create the Lodi Tourism Business Improvement District

MEETING DATE: July 15, 2015

PREPARED BY: Business Development Manager

RECOMMENDED ACTION: Adopt Resolution of Intention to establish the Lodi Tourism Business Improvement District; and Resolution requesting consent of the County of San Joaquin to create the Lodi Tourism Business Improvement District.

BACKGROUND INFORMATION: The existing Lodi Tourism Business Improvement District (District) was established on October 6, 2004 (Resolution of Intention No. 2004-191) and subsequently expanded on January 21, 2009 (Resolution of Intention No. 2008-229), respectively, pursuant to the Parking and Business Improvement Area Law of 1989 for the purpose of providing lodging partners with marketing programs to raise awareness of Lodi, sponsorship of special events that attract overnight visitors, and sales programs to bring in large-group business to generate additional overnight stays. This law provides that the District is renewed annually and the funding could cease in any given year if the City Council did not approve the annual report. As a result of this uncertainty, the Visit Lodi Conference and Visitors Bureau (Bureau) believes it is hampered in its efforts to implement long-range and larger-scale marketing and visitor-attraction programs. For this reason, lodging businesses and the Bureau propose to disestablish the existing District and create a new District pursuant to the Property and Business Improvement District Law of 1994. The District is currently funded by a combination of sources, including the current 3 percent Tourism Business Improvement District fee and a three year contract with the City of Lodi for a 19 percent share of the City's 6 percent Transient Occupancy Tax. The contract value is estimated to total \$114,000 annually for the FY2014/2015 and FY2015/2016 budget years. With two of the three years remaining in the contract, City staff and the Bureau have agreed that City funding will terminate (and be replaced by the proposed 1½ percent District fee increase) at expiration of the existing contract if the new District is established.

Current Situation

The proposed Lodi Tourism Business Improvement District (District) is a benefit assessment district that would continue to help fund marketing and sales promotion efforts for Lodi lodging businesses. The District will be guided by a management district plan developed and approved by the stakeholders who signed petitions in support. Stakeholder support to initiate the formation of the district must be from those who will pay at least 50 percent of the proposed assessment. The proposed District has a term of five years and its governing body is chosen by stakeholders. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights. The

APPROVED: _____
Stephen Schwabauer, City Manager

proposed District includes all lodging businesses located within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area No. 31 (Flag City). The boundaries for the new District will remain the same as the existing Lodi Tourism Business Improvement District formed under the 1989 Act.

Hoteliers decided to pursue formation of the new District in order to create a stable revenue source devoted to marketing Lodi as a tourist, meeting and event destination. The proposed annual assessment rate is 4½ percent for lodging businesses in the City of Lodi and 3 percent for lodging businesses in the unincorporated area of San Joaquin County of gross short-term (stays less than 31 days) room rental revenue. The annual assessment rate in the City of Lodi would increase by 1½ percent from the current 3 percent with the establishment of the new District. The increase in the proposed annual assessment will allow the district to remain competitive in the tourism landscape. Tourism Business Improvement Districts (TBIDs) have expanded in California creating a competitive environment between destinations to attract visitors. The County assessment will remain at 3 percent. The stakeholders located in the County Service Area No. 31 will receive less specific benefit than stakeholders in the City of Lodi. If established, the District would generate approximately \$538,000 from this fee on an annual basis to be used for promotion of travel and tourism specific to Lodi.

Tourism Business Improvement Districts

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow lodging and tourism-related business owners to organize their efforts to increase tourism. Tourism-related business owners within the district fund the District, and those funds are used to provide services that the businesses desire and that benefit the lodging businesses within the District.

District Benefits:

- Funds cannot be diverted for other government programs
- They are customized to fit the needs of each destination
- They allow for a wide range of services; including: Marketing of the Destination, Tourism Promotion Activities and Sales Lead Generation
- They are designed, created and governed by those who will pay the assessment
- They provide a stable funding source for tourism promotion

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. The key difference between TBIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.

Management District Plan

The Management District Plan (Attachment 2) includes the proposed boundary of the District, a service plan and budget and a proposed means of governance. The District will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area No. 31 (Flag City).

The proposed District will have a five-year life. The assessment will be implemented beginning October 1, 2015. Once per year, beginning on the anniversary of District formation, there is a 30-day period in which business owners paying more than 50 percent of the assessment may protest and begin proceedings to terminate the district.

The City will be responsible for collecting the assessment on a quarterly basis from each lodging business located within the District boundaries. The City will forward the assessments to the Lodi Conference & Visitors Bureau, which will have the responsibility of managing District programs as

provided in this Management District Plan. The City will be paid a fee equal to 3¼ percent of the amount of assessment collected to cover their costs of collection and administration.

Next Steps

Subsequent to adoption of the Resolution of Intention, a public meeting will be scheduled for August 5, 2015, at which Council shall allow public testimony regarding the proposed assessment and a public hearing on September 2, 2015, at which Council shall make a finding regarding the existence of a majority protest on the formation of the Lodi Tourism Business Improvement District and the levy of assessments on lodging businesses.

If adopted, the Resolution Requesting Consent will be forwarded to the County Board of Supervisors, requesting inclusion of County Service Area No. 31 (Flag City) in the proposed District. The Board of Supervisors may then consider adopting a resolution granting their consent. (See Attachment 1, "District Formation Process.")

FISCAL IMPACT: None immediately. The City will receive a fee of 3¼ percent of the amount collected to cover its costs of administration. Because the district programs are intended to increase visitation to the City, there may be an increase in transient occupancy tax and sales tax collections. In addition, the City will retain its full share of transient occupancy tax after the last two years of the contract with the Visit Lodi Conference and Visitors Bureau expire.

FUNDING AVAILABLE: Not applicable.

Adam Brucker
Business Development Manager

DISTRICT FORMATION PROCESS

July 15, 2015

RESOLUTION OF INTENTION HEARING

Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the City Council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

Petition Status: Petitions in favor of district formation were submitted by 11 hotels, which represent 94.92% of the total district assessment. This majority petition allows the Council to initiate proceedings for district formation at the July 15, 2015 meeting. (See Attachment 1, Exhibit A.)

The Resolution of Intention and Resolution Requesting the Consent of San Joaquin County will be adopted at this hearing.

July 16, 2015

NOTICE

The Property and Business Improvement District Act of 1994 requires the City mail written notice to the owners of all businesses proposed to be within the district. Mailing the notice begins a mandatory forty-five day period in which owners may protest district formation.

August 5, 2015

PUBLIC MEETING

Allow public testimony on the establishment of the District and levy of assessments. No council action required.

September 2, 2015

FINAL PUBLIC HEARING

If written protests are received from the owners of businesses in the proposed district which will pay more than 50 percent of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses shall be taken for a period of one year from the date of the finding of a majority protest by the Council.

At the conclusion of the public hearing to establish the district, the Council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them.

If the Council, following the public hearing, decides to establish the proposed property and business improvement district, the Council shall adopt a resolution of formation.

Each of the following lodging businesses submitted a Petition to the City of Lodi to Form the Lodi Tourism Business Improvement District:

Business	Address	Owner/Representative
Best Western I-5 Inn & Suites	6411 W Banner Street	Rajiv Jain
Best Western Royal Host Inn	710 S Cherokee Lane	Amita Kotecha
Econo Lodge Inn & Suites	118 N Cherokee Lane	Sann Hospitality/Jana Patel
Hampton Inn & Suites	1337 S Beckman Road	Daryl Geweke
Holiday Inn Express	1337 E Kettleman Lane	Beth Kim
Hutchins House VRBO	705 W Oak Street	Marne Simpson
Lodi Carriage House	311 ½ W Oak Street	Tom Azevedo
Microtel Inn & Suites	6428 W Banner Street	Rajiv Jain
Motel 6	1140 S Cherokee Lane	Yogesh Patel
Sandpiper Guest House	551 Sandpiper Circle	Annette and Gordon Mackay
Wine & Roses, LLC	2505 W Turner Road	Russ Munson

2015-2020



LODI TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

June 15, 2015

CONTENTS

I. OVERVIEW.....	1
II. IMPETUS.....	2
III. BACKGROUND.....	3
IV. BOUNDARY	4
V. BUDGET AND SERVICES.....	5
A. Annual Service Plan.....	5
B. Annual Budget.....	7
C. California Constitutional Compliance.....	7
D. Assessment.....	8
E. Penalties and Interest.....	9
F. Time and Manner for Collecting Assessments.....	9
VI. GOVERNANCE.....	10
A. Owners' Association.....	10
B. Brown Act and California Public Records Act Compliance.....	10
C. Annual Report.....	10
APPENDIX 1 – LAW.....	11
APPENDIX 2 – ASSESSED BUSINESSES.....	22

Prepared by
Civitas



(800)999-7781
www.civitasadvisors.com

I. OVERVIEW

Developed by the Visit Lodi! Conference and Visitors Bureau (the Bureau), the Lodi Tourism Business Improvement District (LTBID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

Location: The proposed LTBID includes all lodging businesses located within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County referred to as County Service Area #31, also known as “Flag City”, as shown on the map in section IV.

Services: The LTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total LTBID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$538,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the LTBID’s term.

Cost: The annual assessment rate is four and one half percent (4.5%) for lodging businesses in the City of Lodi, and three percent (3%) for lodging businesses in the unincorporated area of San Joaquin County, of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Assessments pursuant to the LTBID shall not include room rental revenue resulting from stays pursuant to contracts executed prior to October 1, 2015.

Collection: The City will be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the LTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The proposed LTBID will have a five (5) year life, beginning October 1, 2015 through September 30, 2020. Once per year beginning on the anniversary of district formation there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on district termination.

Management: The Visit Lodi! Conference and Visitors Bureau will serve as the LTBID’s Owners’ Association. The Owners’ Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. IMPETUS

There are several reasons why now is the right time to form a Tourism Business Improvement District (TBID) in Lodi; the most compelling reasons are as follows:

1. *The Need to Increase Occupancy*

The formation of the LTBID is a proactive effort to provide supplemental funding beyond that currently provided by the City. The funding will ensure that adequate financing exists for the investment required to increase occupancy in the lodging industry and be competitive in the conference segment of the tourism market. The investment will cover an expanded marketing and promotional budget needed to reach this market segment.

2. *An Opportunity for Increasing City Tax Revenues*

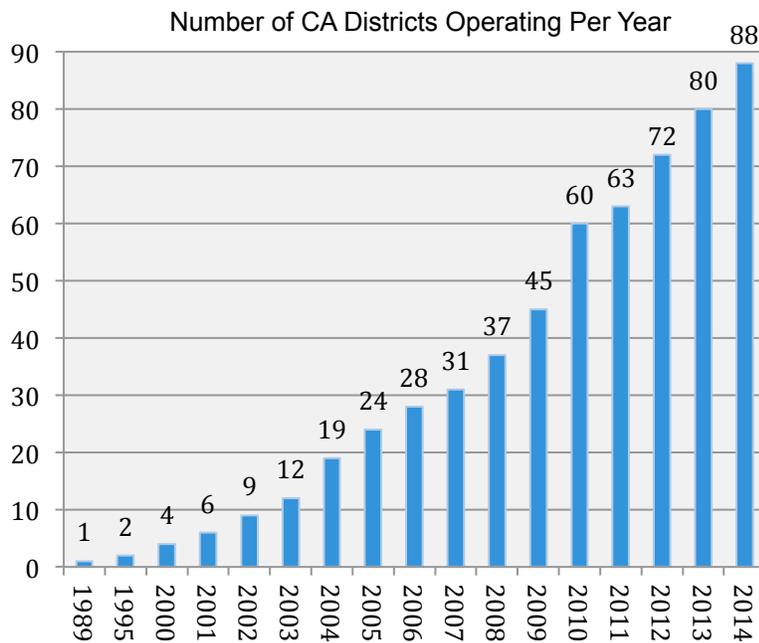
As occupancy rates increase, so too will the City's transient occupancy tax revenue. With stable public/private funding for tourism marketing efforts, annual occupancy rates should increase significantly as new marketing and sales promotion programs are implemented. Greater occupancy will also produce an increase in sales tax revenues from tourist spending. This represents a substantial return to the City. The formation of the LTBID in partnership with the the Bureau creates a stable funding source tied directly to tourism promotion.

3. *Stable Funding for Tourism Promotion*

The LTBID will provide funding for tourism promotion free of the political and economic circumstances that can reduce or eliminate government funding for tourism promotion.

III. BACKGROUND

Tourism Business Improvement Districts (TBIDs) are an evolution of the traditional Business Improvement District. The first TBID was formed in West Hollywood, California in 1989. Since then, over eighty California destinations have followed suit. In recent years, other states have begun adopting the California model – Washington, Montana, and Texas have adopted TBID laws. Several other states are in the process of adopting their own legislation. And, some cities, like Portland, Oregon, have utilized their charter powers to create TBIDs without a state law.



California’s TBIDs collectively raise over \$150 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Lodi lodging businesses invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TBID pay an assessment and those funds

are used to provide services that increase room night sales.

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBIDs:

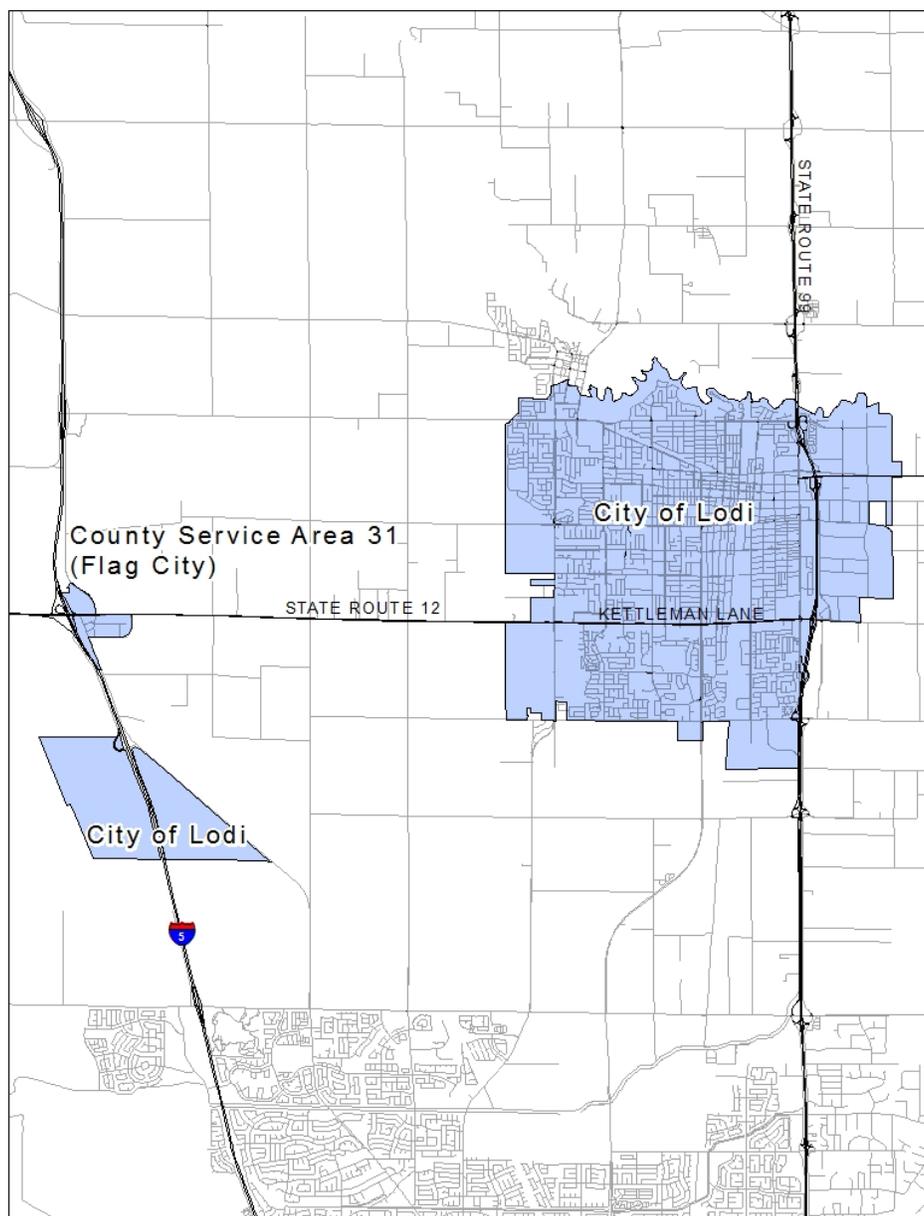
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are *designed, created and governed by those who will pay* the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

IV. BOUNDARY

The LTBD will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area #31 also known as “Flag City”.

Lodging business means: Any structure or any portion of any structure which is occupied or intended or designed for the occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodginghouse, roominghouse, apartment house, dormitory, public or private club, mobilehome or house trailer at a fixed location or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes twenty-seven (27) lodging businesses. A complete listing of lodging businesses within the proposed LTBD can be found in Appendix 2.



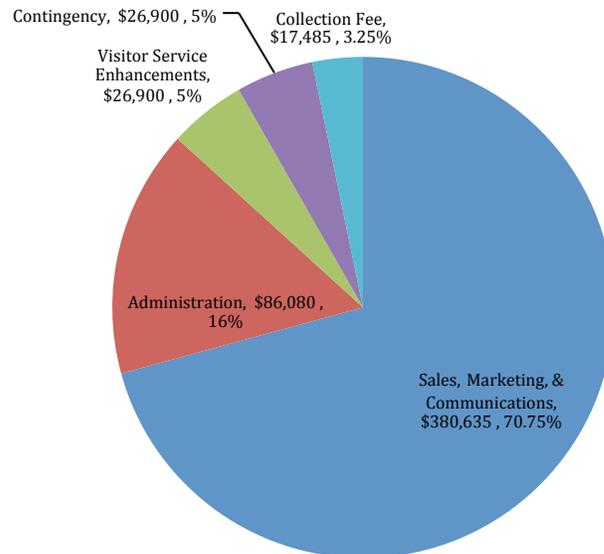
V. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the LTBID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit businesses throughout the District. A detailed annual budget will be developed and approved by the Bureau. The table below illustrates the initial annual budget allocations. The total initial budget is \$538,000.

Initial Year Annual Budget - \$538,000



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the Bureau board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the LTBID, any and all assessment funds may be used for the costs of defending the LTBID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the Bureau on an as-needed basis.

Sales, Marketing, and Communications

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Lodi as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Television ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Sponsorship of events that attract tourist and groups to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed businesses; and
- Education of lodging business management and the owners' association on marketing strategies best suited to meet assessed business's needs.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

Visitor Service Enhancements

The Visitor Services Enhancement (VSE) program will provide potential funding for programs and initiatives based on criteria to be developed by the LT BID. The focus of the VSE program will be on the entire destination brand footprint to ensure a consistent brand experience throughout LT BID. VSE may include:

- A long term ambassador program with trained staff that supplements the current level of police presence around assessed businesses and encourages overnight visitation;
- Welcome Center and Kiosk improvements including new technology-driven visitor information enhancements; and
- Brand-centric visitor services training program for both public and private sector staff.

Contingency/Renewal

A prudent portion of the budget will be allocated to a contingency fund, to account for lower than anticipated collections or higher than anticipated program costs. If there are contingency funds collected and near the expiration of the district there are contingency funds remaining, and business owners wish to renew the district, the contingency funds may be used for renewal costs.

City Administration Fee

The City shall be paid a fee equal to three and one quarter percent (3.25%) of the amount of assessment collected, to cover its costs of collection and administration.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately \$538,000 annually, or \$2,690,000 through 2020. This amount may fluctuate as sales and revenue increase at assessed businesses, but is not expected to change significantly over the term.

C. California Constitutional Compliance

The LTBD assessment is not a property-based assessment subject to the requirements of Proposition 218. The Court has found, “Proposition 218 limited the term ‘assessments’ to levies on real property.”¹ Rather, the LTBD assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the LTBD, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.”² The services in this Management District Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the District. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. LTBD funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. For example, assessment funds shall not be used to feature non-assessed lodging businesses in LTBD programs. Further, assessment funds shall not be used to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this District is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the district assessment. The

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

marketing and sales programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration, collection and contingency services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Assessed businesses within “Flag City” will receive a lower level of District services than assessed businesses within the City of Lodi. Because of the difference in the level of services provided to “Flag City” businesses, they will be pay a lower assessment rate.

Although the District, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the LTBID are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the Owners’ Association, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from district-funded activities, be featured in advertising campaigns, and benefit from other district-funded services. Non-assessed lodging businesses will not receive these, nor any other, district-funded services and benefits.

The District-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program directly generating those room nights shall be paid with non-District funds. LTBID funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is four and one half percent (4.5%) within the City of Lodi and three percent (3%) in the unincorporated areas of San Joaquin County of gross short term (stays less

³ Government Code section 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code section 53758(b)

⁶ Government Code section 53758(b)

than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Assessments pursuant to the LTBID shall not include room rental revenue resulting from stays pursuant to contracts executed prior to October 1, 2015.

The term “gross room rental revenue” as used herein means: The consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the “LTBID Assessment.” The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

1. Any lodging business which fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. Any lodging business which fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties states in subsections 1 and 2 of this section.
4. In addition to the penalties imposed, any lodging business which fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%) per month or fraction thereof on the amount of the assessment exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. Every penalty imposed and such interest as accrues shall become a part of the assessment required to be paid.

F. Time and Manner for Collecting Assessments

The LTBID assessment will be implemented beginning October 1, 2015 and will continue for five (5) years through September 30, 2020. The City will be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the LTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners’ Association.

VI. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTBD as defined in Streets and Highways Code §36614.5. The City Council has determined that the Visit Lodi! Conference and Visitors Bureau will serve as the Owners' Association for the LTBD.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the Bureau board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The Bureau shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

STREETS AND HIGHWAYS CODE Division 18. Parking Part 7. Property and Business Improvement District Law of 1994

Cal Sts & Hy Code Div. 18, Pt. 7 Note (2015)

*** This document is current through the 2015 Supplement ***
(All 2014 legislation)

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or businesses in a business district are not taxes for the general benefit of a city, even if property or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special

benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed businesses and real property located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ Association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

36617. Alternative method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated

based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) **(1)** A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

36631. Time and manner of collection of assessment; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

- (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.
- (b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.
- (c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesseees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

BUSINESS NAME	ADDRESS	CITY	STATE	ZIP
Wine and Roses LLC	2505 West Turner Rd.	Lodi	CA	95242
Del Rancho Motel	501 North Cherokee Ln.	Lodi	CA	95240
Motel 6	1140 South Cherokee Ln.	Lodi	CA	95241
Star Hotel	22 South Main St.	Lodi	CA	95240
Budget Inn of Lodi	917 South Cherokee Ln.	Lodi	CA	95240
Econo Lodge Inn & Suites	118 North Cherokee Ln.	Lodi	CA	95240
Lodi El Rancho Motel	603 North Cherokee Ln.	Lodi	CA	95240
Modern Motor Lodge	1050 South Cherokee Ln.	Lodi	CA	95240
Wine Country Inn	607 South Cherokee Ln.	Lodi	CA	95240
Rancho Grande Motel	807 South Cherokee Ln.	Lodi	CA	95240
Traveler's Hotel	112 North School St.	Lodi	CA	95240
Viking Motel	815 South Cherokee Ln.	Lodi	CA	95240
Royal Host Inn	710 South Cherokee Ln.	Lodi	CA	95240
Imperial Hotel	9 West Oak St.	Lodi	CA	95240
Economy Inn	1100 South Cherokee Ln.	Lodi	CA	95240
Main Hotel	4 South Main St.	Lodi	CA	95240
Hampton Inn & Suites	1337 South Beckman Rd.	Lodi	CA	95241
Best Western I-5 Inn	6411 West Banner Rd.	Lodi	CA	95242
Microtel Inn & Suites	6428 West Banner St.	Lodi	CA	95242
Holiday Inn Express	1337 East Kettleman Ln.	Lodi	CA	95240
Golden Era	18 South Main St.	Lodi	CA	95240
Hutchins House Vacation Rental	705 West Oak St.	Lodi	CA	95240
Colleen's Cottage	306 Bella Vista Dr.	Lodi	CA	95242
Merlot Bungalow	430 Elm St.	Lodi	CA	95240
The Carriage House Vacation Rental	311 ½ West Oak St.	Lodi	CA	95240
Sandpiper	551 Sandpiper	Lodi	CA	95240

Circle	Cr.			
Bella Vino B&B	235 South Hutchins St.	Lodi	CA	95240

DRAFT

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
DECLARING ITS INTENTION TO ESTABLISH THE LODI
TOURISM BUSINESS IMPROVEMENT DISTRICT (LTBID)
AND FIXING THE TIME AND PLACE OF A PUBLIC
MEETING AND A PUBLIC HEARING THEREON AND
GIVING NOTICE THEREOF

=====

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code Section 36600 et seq., authorizes the City to establish business improvement districts for the purposes of promoting tourism; and

WHEREAS, the Lodi Conference and Visitors Bureau, lodging business owners, and representatives from the City of Lodi have met to consider the formation of the Lodi Tourism Business Improvement District (LTBID); and

WHEREAS, the Lodi Conference and Visitors Bureau has drafted a Management District Plan (Plan) which sets forth the proposed boundary of the LTBID, a service plan and budget, and a proposed means of governance; and

WHEREAS, the proposed district includes lodging businesses in the County of San Joaquin; and

WHEREAS, consent to include lodging businesses in its jurisdiction will be requested from the County of San Joaquin; and

WHEREAS, lodging business that will pay more than fifty percent (50%) of the assessment under the LTBID have petitioned the City Council to establish the LTBID.

NOW, THEREFORE, BE IT RESOLVED BY THE LODI CITY COUNCIL THAT:

1. The recitals set forth herein are true and correct.
2. The City Council finds that lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Plan have signed and submitted petitions in support of the formation of the LTBID. The City Council accepts the petitions and adopts this Resolution of Intention to establish the LTBID and to levy an assessment on certain lodging businesses within the LTBID boundaries in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the Plan satisfies all requirements of Streets and Highways Code §36622.
4. The City Council declares its intention to establish the LTBID and to levy and collect assessments on lodging businesses within the LTBID boundaries pursuant to the Property and Business Improvement District Law of 1994.
5. The LTBID shall include all lodging businesses located within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, as shown in the

map attached as Exhibit A.

6. The name of the district shall be the Lodi Tourism Business Improvement District (LTBID).
7. The annual assessment rate is four and one half percent (4.5%) for lodging businesses in the City of Lodi and three percent (3%) for lodging businesses in the unincorporated area of San Joaquin County of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Assessments pursuant to the LTBID shall not include room rental revenue from stays pursuant to contracts executed prior to October 1, 2015.
8. The assessments levied for the LTBID shall be applied toward sales promotion and marketing programs to market assessed lodging businesses within the LTBID as tourist, meeting, and event destinations, as described in the Plan. Funds remaining at the end of any year may be used in subsequent years in which LTBID assessments are levied as long as they are used consistent with the requirements of this resolution and the Plan.
9. The proposed LTBID will have a five-year term, beginning October 1, 2015 through September 30, 2020, unless renewed pursuant to Streets and Highways Code Section 36660.
10. Bonds shall not be issued.
11. The time and place for the public meeting to hear testimony on establishing the LTBID and levying assessments are set for August 5, 2015, at 7:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chambers located at Carnegie Forum, 305 W. Pine Street, Lodi, California, 95240.
12. The time and place for the public hearing to establish the LTBID and the levy of assessments are set for September 2, 2015, at 7:00 p.m., or as soon thereafter as the matter may be heard, at the Council Chambers located at Carnegie Forum, 305 W. Pine Street, Lodi, California, 95240. The City Clerk is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the August 5, 2015 meeting and September 2, 2015 hearing, and to provide that notice as required by Streets and Highways Code Section 36623, no later than July 17, 2015.
13. At the public meeting and hearing, the testimony of all interested persons for or against the establishment of the LTBID may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the proposed LTBID that will pay more than fifty percent (50%) of the estimated total assessment of the entire LTBID, no further proceedings to establish the LTBID shall occur for a period of one year.
14. The complete Plan is on file with the City Clerk and may be reviewed upon request.
15. This resolution shall take effect immediately upon its adoption by the City Council.

Dated: July 15, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

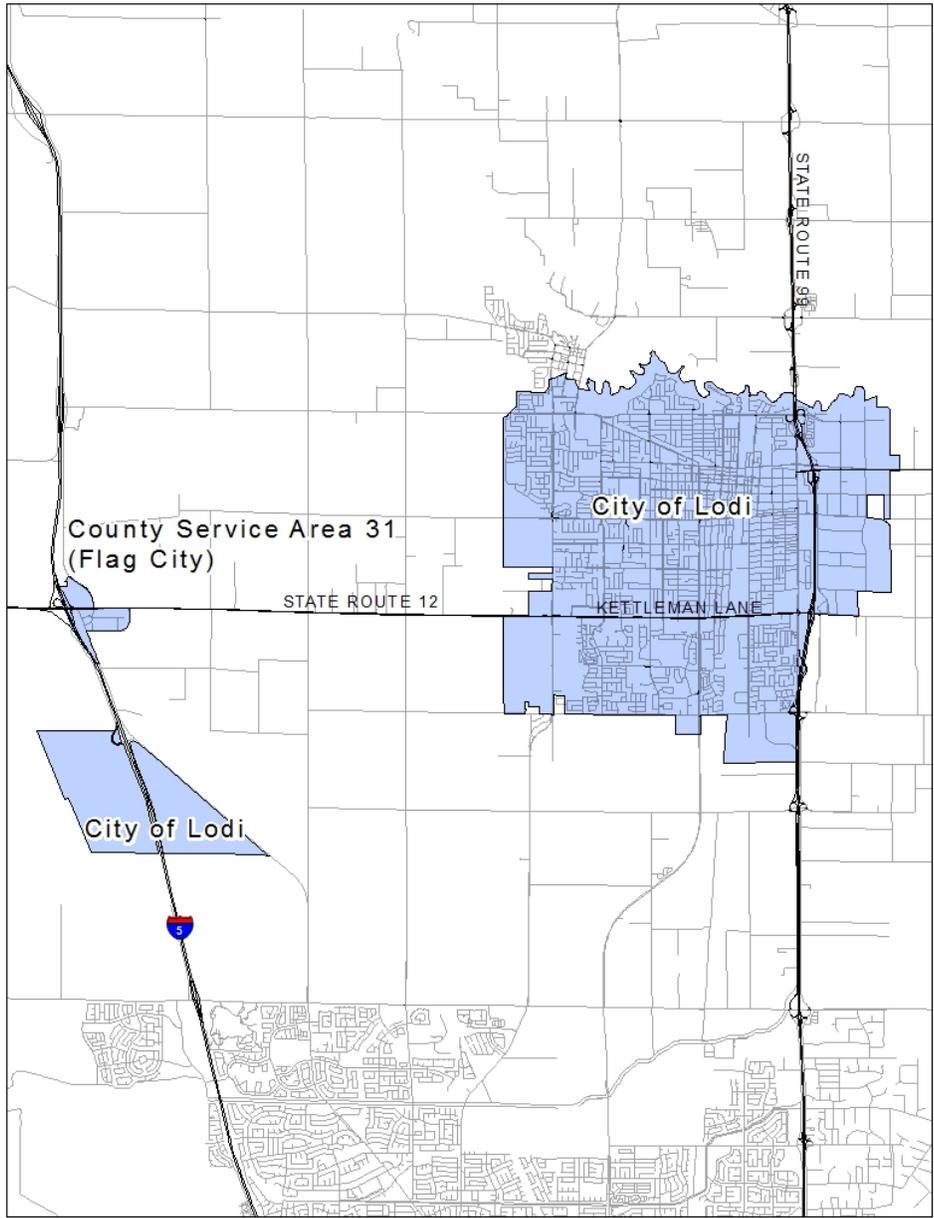
BOB JOHNSON
Mayor

ATTEST:

JENNIFER M. FERRAIOLO
City Clerk

2015-_____

EXHIBIT A
District Boundaries



RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL REQUESTING
CONSENT OF THE COUNTY OF SAN JOAQUIN TO CREATE THE
LODI TOURISM BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City Council of the City of Lodi desires to begin proceedings to form the Lodi Tourism Business Improvement District (“LTBID”); and

WHEREAS, certain tourism business owners have requested that the City Council (“the Council”) of the City of Lodi (“the City”) create the LTBID; and

WHEREAS, a portion of the territory, County Service Area No. 31 also known as “Flag City,” proposed to be included in the LTBID lies within the boundaries of the County of San Joaquin (“the County”), as shown on the map attached hereto as Exhibit A and incorporated herein by such attachment; and

WHEREAS, the area of the County which lies within the boundaries of the proposed LTBID will, in the opinion of the Council, be benefited by the improvements and activities, and the purpose sought to be accomplished by the work can best be accomplished by a single comprehensive scheme of work.

NOW, THEREFORE, be it resolved by the City Council of the City of Lodi that:

Section 1: The above recitals are true and correct.

Section 2: Consent of the County, through its Board of Supervisors, is hereby requested to create the LTBID, and to grant to the Council jurisdiction for all the purposes in connection with creation, operation and future renewals of the proposed LTBID.

Section 3: The City Clerk is hereby directed to transmit a certified copy of this Resolution to the Clerk of the Board of the County of San Joaquin.

Dated: July 15, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 15, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

BOB JOHNSON
Mayor

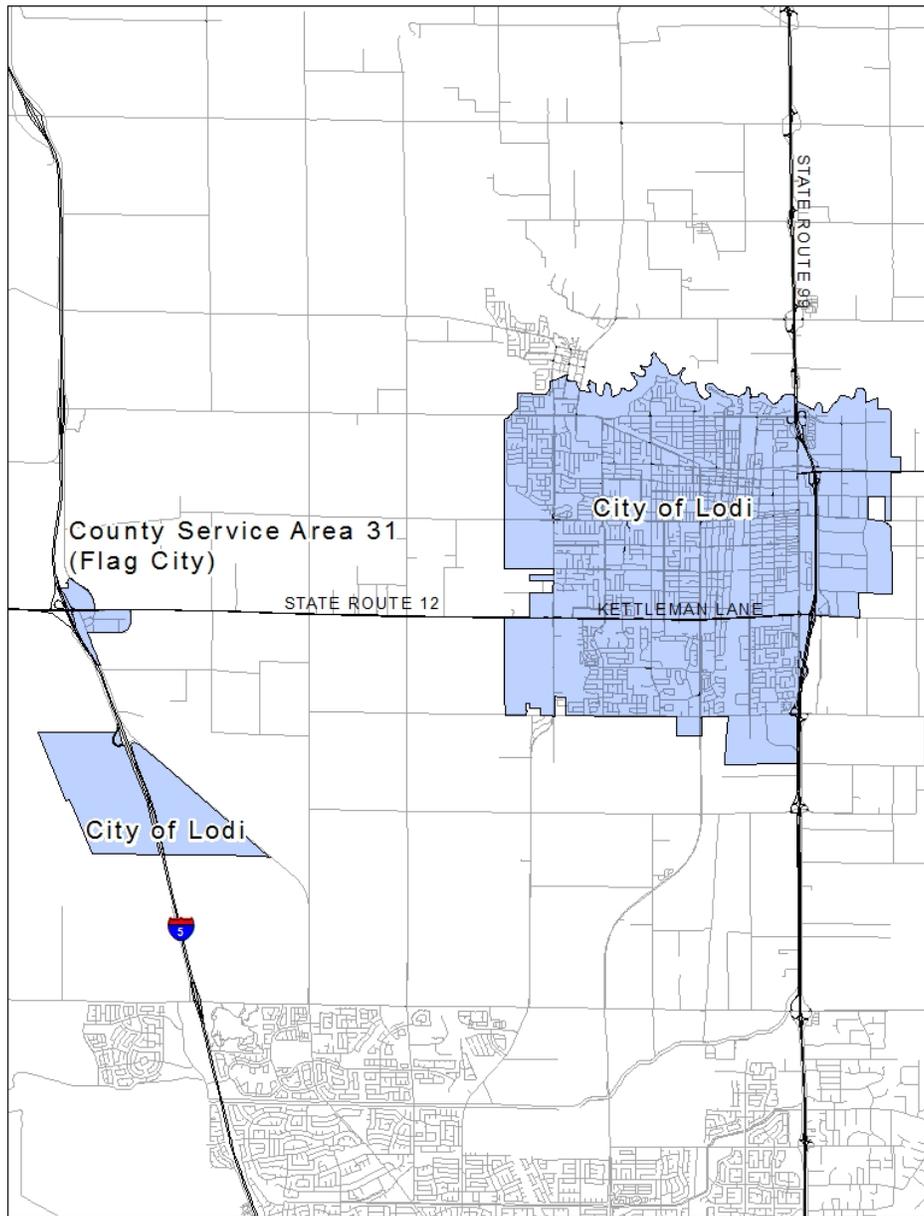
ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

2015-_____

Exhibit A

Boundary Map





CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Ordinance No. 1906 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20 – Electrical Service – by Repealing and Re-Enacting Section 13.20.315(C), 'Schedule EDR – Economic Development Rate,' to Re-Enact the Utility Rate Discount from September 1, 2015 to June 30, 2018"

MEETING DATE: July 15, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1906.

BACKGROUND INFORMATION: Ordinance No. 1906 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20 – Electrical Service – by Repealing and Re-enacting Section 13.20.315(C), 'Schedule EDR – Economic Development Rate,' to Re-Enact the Utility Rate Discount from September 1, 2015 to June 30, 2018" was introduced at the special City Council meeting of June 17, 2015.

ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov't Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov't Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF
Attachment

APPROVED: _____
Stephen Schwabauer, City Manager

ORDINANCE NO. 1906

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING LODI MUNICIPAL CODE CHAPTER 13.20 –
ELECTRICAL SERVICE – BY REPEALING AND
REENACTING SECTION 13.20.315, “SCHEDULE EDR –
ECONOMIC DEVELOPMENT RATE,” IN ITS ENTIRETY

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.315, “Schedule EDR – Economic Development Rate,” is hereby repealed and reenacted in its entirety to read as follows:

13.20.315 - Schedule EDR—Economic development rates.

Applicability:

- A. New Business Rate Discount. NBR discount, applicable to any new commercial or industrial customer that locates their operations/business that receives electric utility service from the city of Lodi, with the following stipulations: a customer assigned to the G1 electric utility rate shall receive a discount for twelve consecutive months of twenty-five dollars per month; and, customers assigned to the G2, G3, G4, G5, or I1 electric utility rate shall receive a discount for twelve consecutive months of five percent; and this rate discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including, but not limited to, the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall not be subject to this discount.
- B. New Jobs Rate Discount. NJR discount, applicable to any commercial or industrial customer that adds a minimum of one full-time position, and retains that position for at least twelve consecutive months, with the following stipulation: a two percent discount for one to three new positions; four percent for four to six new positions; six percent for seven to nine positions; and eight percent for ten or more new positions. The maximum discount available is eight percent; all discounts are available for twelve consecutive months; and this rate discount may not be combined with any other electric discount or rate and shall only apply to the base rate. Surcharges including, but not limited to, the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall not be subject to this discount.
- C. The rate schedules referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after September 1, 2015 and said utility rate discounts shall expire on June 30, 2018.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or

application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

Approved this _____ day of _____, 2015

BOB JOHNSON
MAYOR

ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1906 was introduced at a regular meeting of the City Council of the City of Lodi held June 17, 2015, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 1906 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILOLO
City Clerk

Approved to Form:

JANICE D. MAGDICH
City Attorney